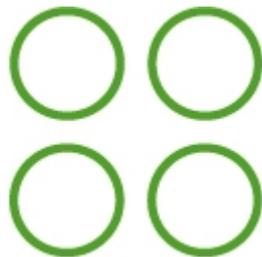


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# ALCUR FONDER

Return that cannot be replicated

Information Brochure Fund Rules  
ALCUR  
ALCUR Select  
ALCUR Grow



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## Summary

**This informational brochure has been created according to the law regulating managers of alternative investment funds (2013:561) and the Swedish Finance Supervisory Authority's regulations regarding managers of alternative investment funds (FFFS 2013:10).**

### **AIF Manager**

ALCUR FONDER AB

Organisation Registration Number: 556703-4870

Share capital: SEK 1 500 000

Company founded: June 2006

Owner: Staff and Bure AB

Address: Riddargatan 18, 11451 Stockholm

Phone: 08-586 114 00

Fax: 08-661 3080

Website: [www.alcur.se](http://www.alcur.se)

Email: [info@alcur.se](mailto:info@alcur.se)

Registered office: Stockholm

Supervision: Swedish Financial Supervisory Authority

Authorisation: The Swedish Financial Supervisory Authority authorized fund operations on November 27<sup>th</sup>, 2006.

Authorisation to manage alternative investment funds was granted on November 27<sup>th</sup>, 2014.

### **Board**

Chairman

Frans Henrik Kockum

Members

Johan Klevby

Carl Fredrik Herslow

Gustav Ohlsson

### **Post Holders**

Niclas Röken (CEO)

Johan Klevby (Head of Management)

Wahlstedt Sageryd, responsible for risk management

Anna Cumzelius, responsible for compliance and law

### **Accountants**

PricewaterhouseCoopers, Daniel Algotsson has lead responsibility.

Responsible for complaints: Anna Cumzelius

### **Special funds under management**

ALCUR

ALCUR Select

ALCUR Grow

In many regards the regulation is the same for UCITS funds and special funds. Special funds are however allowed to, in some cases, deviate from the rules that

apply to UCITS funds. This is particularly true regarding investment policies, that can be freer for special funds.

### **Custodian**

Skandinaviska Enskilda Banken AB (publ), 106 40 Stockholm

Registered office: Stockholm

Core Business: Banking and financial operations along with activities that are of a similar nature.

### **Custodian Tasks**

The custodian stores the fund's assets and handles the transactions that are attributable to the fund. The custodian shall execute the AIF managers instructions regarding the fund, unless these instructions are in conflict with the regulations in the Swedish Securities Fund Act, The Swedish Alternative Investment Funds Act, , any other relevant legislation or the fund rules and ensure that trade of fund units are being carried out in accordance with applicable law and fund rules. Similarly, the value of fund units is calculated according to applicable law and the fund rules, and that reimbursement for transactions regarding the fund's assets are paid to the fund without delay, and that the fund's assets are used in accordance with the law and the fund rules. The custodian's duties are regulated by law.

### **Conflict of Interest within the custodian**

Skandinaviska Enskilda Banken AB (publ) offers a variety of financial services and carries out financial operations on their own behalf. This could lead to conflicts of interest. Skandinaviska Enskilda Banken AB (publ) has set up internal instructions and policies to avoid conflicts of interest. The custodian function is separated from other departments within the bank. The custodian can delegate certain parts of their operations to other departments, for example custodian banks within the custodian. Information regarding such delegation is presented by the custodian in the form of a list containing all of the custodian banks. The AIF manager will evaluate the presence of any conflicts of interest. Within Skandinaviska Enskilda Banken AB (publ) there are internal processes regarding reporting and handling of the situation have been established within Skandinaviska Enskilda Banken AB (publ) should a conflict of interest occur.

### **Supervision**

Supervisory Authority: Swedish Financial Supervisory Authority

### **Delegation**

ALCUR FONDER AB has decided to delegate certain operations to external parties to ensure duality and continuity within these important processes.

- Skandinaviska Enskilda Banken AB is Custodian.

- PricewaterhouseCoopers (PWC) is responsible for the AIF managers and the funds' auditing.
- Wahlstedt Sageryd handles accounting and back office services. Along with the administration of portfolio and unitholder systems, trade of fund units and the calculation of Net Asset Value (NAV).
- LC Support delivers IT services.
- Harvest Advokatbyrå AB is responsible for compliance and handling complaints.
- Nils Alpman (Wistrand Advokatbyrå) is responsible for internal auditing functions.
- Wahlstedt & Partner AB is responsible for risk controlling and management functions.

### **The most important legal consequences of investing in a fund**

Anyone who invests in a fund receives fund units to a value corresponding with the amount invested, thereby becoming a unitholder. A unitholder has a right to have their units redeemed in accordance with the fund rules and to receive dividends in certain cases.

Units are redeemed such that the amount paid is equal to the current value of the fund units. ALCUR FONDER manages the fund's funds in accordance with the investment objective and investment policies. A special fund cannot assume rights or obligations. The fund cannot institute a claim in court or any other judicial authority. Property held by a special fund is not subject to distraint. Unitholders are not responsible for any of the fund's obligations. The law regulating joint ownership (1904:48 s. 1) is not applicable to joint ownership in a unit of a special fund. ALCUR FONDER represents the unitholders in proceedings related to the special fund. During the management of a special fund ALCUR FONDER acts only with the unitholders best interest at heart. Assets in a special fund are stored in the custodian Skandinaviska Enskilda Banken AB (publ). This ensures that unitholders will not be affected negatively should ALCUR FONDER find themselves with economic difficulties.

### **Unitholder Register**

Wahlstedt Sageryd keeps a record of all the unitholders and their respective holdings. Unitholders holdings are presented in annual reports that contains declaration data.

### **The sale and redemption of fund units**

Information regarding the sale and redemption of fund units are regulated in the fund statutes (§ 9). Additional information regarding the sale and redemption of fund units can be found on the AIF managers website or supplied directly from ALCUR FONDER.

### **Limit orders**

It is not possible to limit subscription or redemption orders.

### **Capital requirement**

ALCUR Fonder has capital requirements. The AIF manager must at least have funds that amounts to the highest of the following:

125 000 euro + 0,02 percent of the amount of fund assets that exceed a value of 250 million euro + 0,01 percent of the value of the assets managed in the special funds.

25 percent of fixed costs for the previous year+ 0,01 percent of the value of the assets managed in the special funds.

### **Principles and routines for the valuation of fund assets**

Property within the special fund is valued at market value. Fund statutes further regulate how assets are valued and how the fund's value is calculated.

### **Annual and semi-annual reports along with the latest Net Asset Value (NAV) for fund units**

The AIF manager creates an annual and semi-annual report for the fund. The documents will upon the unitholders request be sent free of charge to the unitholder. Additionally, the documents will be available from the AIF manager or the custodian, at the latest four months after the end of the financial year (annual report) and two months after the mid-year point (semi-annual report). The most recently calculated net asset value (NAV) will be presented on a monthly basis on the AIF managers website. Unitholders receive reports on a monthly basis via email. The report contains an update on the funds value along with a report on current events on the market and a description of the funds current and historical risk level.

### **Equality of units and share classes**

The fund units are equal in size and have the same right to the property within the fund. However, there may be different types of unit within the fund (share classes). Share classes within the same fund may have different conditions regarding dividends, fees, lowest subscription amount and currency that units are subscribed to in or redeemed in. Units within the same share class are equal in size and have the same rights to the property within the fund. Unitholders are equal in principle, with the exception of specific conditions that are relevant to different share classes.

### **Discontinuance or transfer of fund operations**

If the AIF manager gets their authorisation to run operations revoked, in the event of liquidation or bankruptcy or decides that they want to discontinue operations, the custodian will take over management of the fund temporarily. The custodian will thereafter transfer the management of the fund to another manager who has been approved by the Swedish Finance Supervisory Authority. Otherwise the fund will be dissolved, the fund's assets sold, and net proceeds

will be split amongst the unitholders. This will be announced in periodicals and domestic newspapers along with the information being readily available at the custodian and the AIF manager unless the Swedish Finance Supervisory Authority grants an exemption in the specific case.

### **Tax rules**

The fund's tax: New tax rules were introduced for funds and their holding on the 1<sup>st</sup> of January 2012. This means that tax for the fund have disappeared. As a result a new tax was put in place on the holding of fund units.

Unitholders tax: Divided payments are taxed with a preliminary tax (not applicable to legal entities). Capital gains/losses are presented to the Swedish Tax Authority for verification purposes, but deductions do not occur. Capital losses in unlisted funds can only be deducted up to 70 per cent. The unitholder should declare a fixed rate income of 0,4 percent of the capital base. The capital base is made up of the units' value at the beginning of the calendar year. The fixed rate income is declared as capital income and taxed 30 percent. For legal entities the fixed rate income is classified as business operations and taxed 22 percent. Verification is necessary for natural persons and Swedish estates. Legal entities have to calculate fixed rate income themselves and are responsible for paying the tax. The tax can be affected by individual factors. It is recommended that anyone who is unsure of tax consequences should turn to a tax advisor.

Capital gains and capital losses on fund units are taxed differently depending on the type of fund and whether or not the fund is publicly listed. A fund is considered listed if trading occurs every tenth day or less. Otherwise the fund is considered unlisted.

### **Risks**

Saving in funds always carries a risk. This means that an investment can decrease in value. Normally the risks associated with special funds differ in comparison to a common fund or a mixed fund. The main risks normally associated with saving in a fund are presented below.

#### **Market Risk**

Financial investments are associated with risks as the market for an asset type may rise or fall in value. This can affect the fund. The fund's net exposure and gross exposure can affect the fund negatively.

#### **Liquidity Risk**

In some situations, securities cannot be sold within the intended time frame, without avoiding price reductions or costs for the fund. This could for example happen as a result of external shocks or severe market downfall.

### **External Risks**

The fund will not be able to protect itself from external shocks such as terrorist attacks or natural disasters, which can affect the markets in unpredictable ways.

### **Risk of Concentration**

As a special fund ALCUR has the possibility to have a concentrated portfolio, as a result there are larger positions in specific holdings. Additionally, the fund can short (to sell assets that the fund has not yet acquired, whilst still having the possibility to manage them) and deal in financial derivatives. This may result in, over periods of time, higher risk levels for the fund.

### **Risks associated with interest rates**

Investments in stocks can have a risk associated with them due to interest rates, if the interest rates move in unpredictably large swings as a result of external circumstances that are not associated with the regular relationship between supply and demand.

### **Counterparty and Credit Risks**

Risks arise if an issuer or a counterparty discontinues their payments.

### **Currency Risks**

The fund can invest outside of Sweden, as a result a currency risk can arise due to changes in exchange rates.

### **Operative risks**

Simplifications and assumptions in the risk management model can result in risks. Additionally, there are risks associated with the AIF managers business operations such as IT systems, staff, administrative risks and service contracts.

### **Risk Management and Risk Classification**

ALCUR FONDER has classified themselves according to the EU standard for risk classification. The fund has classified their risk on a scale of 1 to 7, a risk/returns indicator, where 1 is considered the lowest risk and 7 is considered the highest risk. Note that a category 1 fund is not considered risk free. The category for the fund is presented in the fact sheet.

Wahlstedt Sageryd are responsible for the risk controls for the fund. Risk controllers monitor the funds risks in relation to current fund statutes and regulations along with monitoring risks in the AIF managers operations. The AIF manager has a specific function for compliance, Anna Cumzelius at Harvest Advokatbyrå is responsible for compliance. The compliance officer works independently of other operations and is solely responsible for compliance. This function also works with educating the staff and the board about different questions regarding regulation. The AIF manager has hired Nils Alpman at Wistrand Advokatbyrå to be the

function responsible for the AIF managers internal auditing. This function is tasked with, among other things, monitoring and evaluating the AIF managers risk analysis and risk management, compliance, IT and administration. The internal auditor works according to specific instructions and reports to the board.

### **Financing of securities**

The information below is in accordance with article 14 in the European Parliament and Council decree (EU) 2015/2365 the 25th of November 2015 regarding the transparency and transactions of financing of securities and reusage and changes of decree (EU) nr 648/2012.

#### *Share lending*

Shares that are included in the funds assets can be lent out to a third party. In return the fund receives collateral and charges interest. Share lending occurs to increase the fund's returns. The fund can lend to Nordic banks that have been approved by the custodian. The collateral received for the shares must have low market, credit and liquidity risks associated with them. The collateral should be issued by a party that is independent to the counterparty and does not have a vested interest in the counterparty's profit. The received collateral's market value is checked daily and variation margins are used when there are changes in value. If the value of the lent shares exceeds the value of their corresponding collateral, there is a counterparty risk. This may result in the inability of the counterparty to return the shares. It is important that the management of collateral works effectively, so that operational risks can be managed. Received collateral is stored at the fund's custodian. The shares that have been lent are transferred to the counterparty. The interest received when lending out securities is paid in full to the fund.

#### *Borrowing of shares*

Funds can borrow shares from a third party, to later sell on the stock market. This is called shorting. The intention is to repurchase the shares at a lower price, and thereafter returning the shares to the creditor. The fund puts down collateral to the counterparty and pays interest for the loan. Borrowing can occur from Nordic banks who have been approved by the custodian. The collateral is given a market value and variation margins are used when there are changes in value. If the value of the collateral that the fund put down exceeds the borrowed shares, there is a counterparty risk. For natural reasons it is important that the management of collateral works effectively so that operational risks can be handled. Borrowed shares are stored with the fund's custodian. Collateral that the fund puts down is transferred to the counterparty. Any interest for the loan is charged to the fund.

### **Fund Statute Changes**

Any change in the fund statutes can only occur as a result of a decision from the AIF managers board and is

subject to the approval of the Swedish Finance Supervisory Authority. Any approved changes should be made available at the AIF managers and the custodian along with being announced in a way that the Swedish Finance Supervisory Authority suggests. Changes can affect the funds investment policy, fees and risk profile.

### **Liability**

The AIF must compensate damages that have occurred to the fund or its unitholders as a result of the AIF manager, or a contractor, violating the law regulating AIF managers or any other regulations that regulate the AIF managers operations, fund rules, articles of association or any internal rules that in their nature, regulate the AIF managers operations.

### **Distribution**

ALCUR Fonder can enter into agreements with platforms and distributors to ease the trade of fund units and the marketing of the company's funds. A list of distributors is available at [www.alcur.se](http://www.alcur.se).

### **Ownership Policies**

The AIF managers board has adopted an ownership policy that is described on the AIF managers website. It can also be ordered directly from the AIF manager.

### **Compensation Policy**

Details about the compensation policy are available at [www.alcur.se](http://www.alcur.se). The compensation policy can also be ordered, free of charge, from the company. The compensation policy is based on the Swedish Finance Supervisory Authority's regulations regarding common mutual funds and managers of Alternative Investment Funds, along with Swedish Code of Conduct for fund management companies. The success of the AIF manager is strongly related to the profit that the funds under management produce. The board's adopted compensation policy includes the entire staff with the main purpose of stimulating the workers to contribute to efforts that can result in a good risk adjusted return over time for the fund. The compensation policy should promote sound risk management and compliance along with support the AIF managers long term interests. The policy should be constructed in a way that agrees with the clients', staff's and owners' interests, business strategy and values.

### **Ethical Rules**

The AIF managers board has, in accordance with the Swedish Finance Supervisory Authority's regulations regarding the managers of alternative investment funds (FFFS 2013:10) and the fund companies association's guidelines, created guidelines for the staff of the AIF manager. The rules refer to, among other things, working operations, conflicts of interest and personal affairs. The staff should invest in the AIF manager's funds.

## **Money Laundering**

As a result of the EU's third directive regarding money laundering from 2005, a new law was adopted in Sweden (20089:62) regarding measures to prevent the financial system from being used for money laundering and the funding of terrorism. The new law entered into force on March 15<sup>th</sup>, 2009. As a result of the new law the Swedish Finance Supervisory Authority, on March 15<sup>th</sup>, 2009, issued new specific guidelines to companies that are under their supervision. Among other things, the regulations required that companies must report any suspected money laundering activities to the Financial Police (FIPO). Similar regulations are present in approximately 30 countries within the EU. The regulations specify what measures companies must put into place during the controlling of identity of parties that one conducts business with or performs transactions for (Know Your Client principle).

## **Information regarding the handling of personal details and data**

ALCUR FONDER (" the company") works strongly towards the protection of the integrity of clients or other people, who's details may be managed as a result of the company's operations. As of the 25<sup>th</sup> of May 2018, the EU's General Data Protection Regulation (GDPR) applies. The regulation means that there is stronger protection for individuals and their personal data. This increases the requirements for companies and organisations that handle personal details.

Why are personal details saved?

The company records and saves personal details to administer unitholder registers and client contact information, manage contacts with existing and potential contractors and counterparties, perform controls in accordance with the law regarding measures against money laundering and the funding of terrorism, along with the regulation against market abuse, perform controls against sanctions lists, economic administration, answering questions and information requests that have been sent to the company. The specific details and the time that they are recorded are specified in the application and KYC documents.

Personal data Processor - Contractor

With contractors who handle personal details on behalf of the company, personal data processing agreements have been put into place, so that personal details are handled in accordance with the law.

Personal details are handled by the company's contractors within the EEA, when they are performing a task for the company's operations. The company has entered into agreements regarding IT support, accounting, back office, risk control, auditing, compliance, Net Asset Value calculation, unitholder registers and compliance with the Money Laundering Act and funding of terrorism.

## ALCUR

AIF registered in Sweden

### Fund name and legal status

ALCUR is a special fund according to the law regulating managers of alternative investment funds (2013:561) registered in Sweden. The fund is managed by ALCUR FONDER AB ("the AIF manager"), who is supervised by the Swedish Finance Supervisory Authority.

### Investment Objective and Investment Policy

ALCUR is a **special fund** that can be described as a long-short securities fund with a Nordic focus, aiming to produce absolute returns. At least 50% of the fund's assets have to be placed in the Nordic countries. The fund's investment objective is to, over time, generate good risk adjusted returns under all market conditions. The fund does not benchmark itself with an index, instead it uses the risk-free rate of return (SSVX90).

The fund is a special fund, meaning that its holdings can be more concentrated in comparison to a regular mutual fund. In the fund, one specific security can make up 30 percent of the holdings and the fund can be exposed to one single issuer not exceeding 50% of the fund's value.

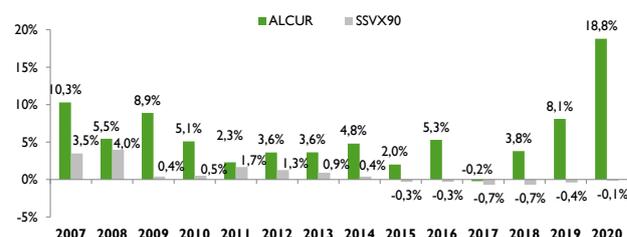
Generally, the fund's investment strategy is based on four different analyses. Value, development of estimated profits, general market direction and risk in relation to expected return. Value means that investments, both short and long positions, are based on fundamentals along with the manager's understanding of the asset value that they are investing in. The managers take a close interest in the development of profit estimates and how they may change in the future. The general economic development and the positioning in specific assets are also closely monitored. An overall assessment is made regarding the potential profit in relation to the assessed risk of the investment. Both short- and long-term investments (longer than twelve months) are made. The fund's net and gross exposure is affected by the managers assessment of the market direction and market risk.

The fund can use futures to get market exposure or to sell market risk. The fund can short securities (sell securities they do not own). The purpose of such an investment, is to protect existing holdings, or to sell overvalued assets, in the same way that the managers would go about buying an undervalued asset.

Financial derivatives can be used to give the fund leverage in certain periods. Call and put options can, in periods, be bought and issued for values that exceed the value of the underlying security. ALCUR's investment restrictions are further specified in the fund rules.

The fund's means can be placed in transferable securities, money market instruments, financial derivatives, fund units and accounts in credit institutions. A maximum of 10 percent of the fund's value can be placed in fund units. Unlisted holdings can make up 20 percent of the fund's value. Trade in financial derivatives can be used as a tool for the fund's general investment policy. The fund has the possibility to lend a portion of its holdings in securities in exchange for a determined interest rate that gets paid to the fund and contributes to the fund's returns. Usually the fund does not pay dividends, all income is reinvested in the fund.

Deposits and withdrawals in the fund normally occur at the end of the month.



The graph above shows the historical performance in SEK. The numbers are attributable to unitholders who have been with the fund since its inception. No adjustment for inflation has been made. The profit is presented after deductions for fees and tax. The funds benchmark index for fee calculation is based upon SSVX90.

### Target Group and Knowledge Requirements

The fund targets itself to people who can be described as equal partners, professional and non-professional. The investor should have some basic knowledge of funds and be able to make an evaluated investment decision after reading information documents about the fund. The investment horizon should be longer than three years. Investors must accept that the fund could decrease in value, even if the markets go up. Similarly, investors must be able to lose their entire invested capital, or more. The fund is not suited for investors who want to be sure that they will only lose a part of their invested capital or be sure that they will retain their entire investment.

### The Fund's Risk Profile

Investing in stocks and funds always involves market risk, as a result of market swings affecting share prices. There is less diversification in a special fund like ALCUR compared to a common mutual fund. This is a result of special funds having the ability to concentrate their portfolio, being able to short shares and the market along with being able to invest in assets other than equities.

There is a risk associated with the managers making the wrong assumptions regarding their evaluation of both specific stocks and the market in general. To minimize

this risk, holdings and the market conditions that assumptions are based upon are regularly re-evaluated.

The AIF managers use established systems and routines to analyse risks in both individual positions along with the portfolio as a whole. The AIF manager's risk management systems allow for the regular calculation of a variety of risk measures such as volatility, standard deviation, beta, Sharpe ratio and Value at Risk (VaR). Value at Risk is an aggregated risk statistic to measure the market risk in the fund, the value that the fund's holdings risk to lose given its historical development. The VaR analysis is calculated using a confidence interval of 95%. This means that, based on historical data, one can estimate with 95% probability, the most that the fund could lose in one day. The fund uses the variance-covariance method to calculate VaR. The model assumes that all assets have normally distributed returns. The fund aims to have a VaR that does not exceed 2%.

The fund's objective is not to achieve positive returns every month, at any price, but rather to achieve returns that exceed the benchmark interest rate annually.

A concentrated portfolio means that the portfolio can contain relatively few individual holdings. The fund can invest throughout the world, but at least 50% of the fund's value must be invested in the Nordic markets. This has a *currency risk* associated with it. The conversion of the price of the foreign security is affected by the foreign currencies value change in comparison to the Swedish krona. The fund can currency hedge, according to its fund rules, but may choose not to.

The fund's *liquidity risk* is made up of two parts. Firstly, there is a cash flow risk, meaning that the fund does not have enough cash to pay its obligations (redemption of units). Secondly, there is a market liquidity risk, meaning that a security cannot be sold off within the desired timeframe without large price reductions or costs to the fund. Generally, the fund sees cash as an asset type that has option value (possibility to buy when liquidity is low), as a result the fund is able to meet unit redemption demands and take advantage of opportunities that suddenly arise and are able to positively affect the fund. The fund should also have a reasonable mix of holdings to effectively manage any liquidity risk. The AIF manager also manages the risk by being able to restrict the fund's size in addition to the fund only being open for depositing once a month. Withdrawals from the fund have to be announced to the AIF managers 10 business days before the month end, which allows the AIF managers room to operate and plan the fund's cash flow.

The fund is able to lend parts of its shareholdings in exchange for a pre-determined interest rate that contributes to the fund's returns. Shares are lent to

counterparties with high credit worthiness against collateral with low market and credit risk, which results in the fund's risk profile remaining largely unchanged, but a counterparty risk arises. The collateral received for the shares must have a value equal to the shares market value. The fund can use financial derivatives to get market exposure or to sell market risk. The fund can short securities (sell securities it does not own). The *purpose* of shorting, is to protect existing holdings, to sell overvalued assets, in the same way that the managers buy assets that are undervalued. When calculating the fund's total exposure, the commitment method is used. This means that positions are translated to a corresponding position of the underlying asset.

### **Leverage**

Leverage means that investment managers increase their exposure for a managed fund by borrowing cash, securities, using financial derivatives, or any other way. Leverage is calculated using a ratio, where the fund's exposure is divided by the fund's value. According to the current fund rules, ALCUR has some exceptions in comparison to common mutual funds. The commitment method is used to calculate the fund's exposure as a result of their use of financial derivatives. When calculating the total exposure, the AIF manager takes both hedging and netting into account. The total value of all assets, when they are calculated in this way, cannot exceed 300 percent of the fund's assets. The net value, positive or negative, can not exceed 150 percent of the fund's assets. The fund uses VaR to measure risk and aims to have a value that does not exceed 2%. ALCUR can use the fund's assets as collateral to cover commitments that have arisen as a result of the management of the fund. For example, collateral could be used to secure a pledge agreement, or a so-called transfer of title, where the ownership is transferred to the fund's counterparty.

### **Liquidity Risk Management**

ALCUR's *liquidity risk* is a result of the fund's commitments and holdings. The commitments are a result of the fund's unitholders' abilities to deposit their units in accordance with the fund statute and other commitments that the fund has, which can be a result of, for example, the issuing of financial derivatives or short positions. ALCUR FONDER regularly controls that ALCUR has a reasonable composition of liquid assets along with the commitments being within the scope of what is reasonable for the fund. To make this possible risk measures are calculated and possibly limited, along with established routines that are to be applied before the fund makes an investment. To make sure that the risk measure and limits are reasonable and sufficient stress tests are regularly carried out. If the stress tests indicate that there is a need for new or changed risk measure or limits, this is done with supervision. Additionally, if the stress tests indicate that

the liquidity risk is considerably higher than what is stated in the fund's risk profile, the AIF manager must establish a plan of action to manage this liquidity risk.

### **Regular Updates Regarding Risk, Liquidity Management and Leverage**

ALCUR FONDER records and reports information about risk and liquidity management. Information regarding current risk profile and risk management systems that are being applied, along with information about the possible proportion of non-liquid assets in the fund are reported in the annual and semi-annual reports. Any essential information about changes in the fund's liquidity risk management are also presented in the annual and semi-annual reports.

### **Restrictions**

#### **Equities**

- One individual asset can make up a maximum of 30 percent of the fund's value.
- Fund units in external funds can make up a maximum of 10 percent of the fund's value.
- Unlisted holdings can make up a maximum of 20 percent of the fund's value.
- The aim is not to have a VaR that exceeds 2%.

#### **Government and Corporate Bonds and Right of Claim**

- One individual asset can make up a maximum of 30 percent of the fund's value. The exception is government bonds, that can make up a maximum of 50 percent of the funds worth.
- The asset cannot be made up of more than 20% of the same debt obligation from the same issuer.

#### **Financial Derivatives**

- The total value of option premiums cannot exceed 30 percent of the fund's value.
- The total value of collateral for sold options cannot exceed 30 percent of the fund's value.
- Options refers to stock, interest rate and index options.
- The total collateral for index and currency terms cannot exceed 30 percent of the fund's value.
- The total collateral for securities loans and financial derivatives cannot exceed 150 percent of the fund's value.

#### **Loans**

- The fund can issue securities loans for a value that does not exceed 50 percent of the fund's value.
- The fund can borrow securities for a value that does not exceed 200 percent of the fund's value.
- The fund can borrow cash for a value that does not exceed 50 percent of the fund's value.

#### **Prime Broker**

A prime broker is for instance a bank, that mainly offers financing services, but also as a counterpart in transactions with different financial instruments, along

with services such as clearing, liquidation, custodian services, securities loans, unique technical solutions and support services. ALCUR FONDER can use Skandinaviska Enskilda Banken AB (publ) as its prime broker. At the same time Skandinaviska Enskilda Banken is the fund's custodian and this could result in conflicts of interest. This is a result of Skandinaviska Enskilda Banken, whilst being in a custodian capacity it also controls and offers a variety of other financial services. Skandinaviska Enskilda Banken AB (publ) separates the services they offer as a prime broker and as a custodian, meaning that there is no cooperation between the two, and the two departments work independently of one another. Additionally, the bank has established routines to identify, handle, monitor and present any conflicts of interest that arise. The manager has therefore concluded that ALCUR's unitholders will not be affected negatively by the relationship with Skandinaviska Enskilda Banken.

#### **Fixed and Performance-based Fee**

The fund charges a performance-based fee that is calculated and charged every month. The compensation is only paid out when the fund's performance exceeds its benchmark threshold, which for ALCUR is the Swedish 90-day treasury bill (SSVX90), on a yearly basis. The fund practices high watermark, meaning that if the fund's performance falls below the performance threshold, but later on performs above the threshold in comparison, the fund will not charge a performance-based fee until the previous relative under performance has been compensated for. The performance-based fee is 20 percent of the fund's over-performance, the part of the fund's development that is above the performance threshold. As a result, there is no maximum for the performance-based fee, it is solely based on the fund's development.

The AIF manager gets compensated for management costs, accountants, marketing along with a fee for controlling and supervision that is charged by the Swedish Finance Supervisory Authority.

The AIF managers charges a fixed fee of 1 percent of the fund's value per year. This compensation is paid monthly, 1%/12, approximately 0,083 percent which is calculated on the fund's value at the end of every month. In addition, there can be a performance-based fee, see above, after deductions for the fixed fee have been made. When fund units are redeemed there can be a fee, that cannot exceed, 0,5 percent, paid to the fund. The AIF manager also has the right to implement a fund unit subscription fee of 5 percent, that is paid to the fund. At this point in time there are no such fees.

#### **Highest Fee**

The highest fee that the AIF manager can charge, for redemption and subscription of fund units according to the fund statutes, is presented below.

Subscription fee: 5 %  
Redemption fee: 0,5 %  
Management fee: 1,2 %\* (of which 1,1 to AIF manager and 0,1 to the Financial Supervisory Authority).  
Performance-based fees can be added.  
Other costs that are charged by the fund:  
Transaction fees such as brokerage fees, taxes, delivery fees, and other costs that can be attributed to the fund's assets, including the purchase and sale of them, including any fees to the custodian, will be paid by the fund.

### **Current Fee**

The current fees that the AIF manager charges for the subscription and redemption of fund units are presented below.

Subscription fee: 0 %  
Redemption fee: 0 %  
Management fee: 1 % including 20 % performance-based fee on performance that exceeds performance threshold, SSVX90.  
The fund can also be charged, if it is allowed according to the law, for analysis costs.

### **Subscription/redemption of Fund units**

Subscription and redemption of fund units can only be made at the end of every month. Notification to subscribe to units has to be made available to the AIF manager at 12:00 p.m. the last banking day in the month, or 11:00 if such is a half working day. Payment should be deposited on the account of the fund at the custodian on the last banking day in the month. Notification of redemption of units shall be at the AIF-manager at 12:00 p.m. 10 working days before the end of the month. The smallest amount for any initial subscription is 500 000 SEK, thereafter subscriptions of 100 000 multiples are permitted. The fund's functional currency is Swedish krona. The fund unit's value at the end of the month is redemption/subscription price. Subscription and redemption orders cannot be limited.

The subscriber/unitholder is responsible for the subscription/redemption document being correctly signed or that it is electronically signed, that the given bank account number is correct and that all other documents and information that the AIF manager needs are made available to the AIF manager or anyone who the AIF manager says the information should be presented to.

### **Reporting and Presenting**

The AIF manager publishes annual and semi-annual reports that can be ordered from the AIF manager. Unitholder receive an email every month containing value updates and a monthly report with updated risk reports, an overview of the fund's performance along with an explanation for the fund's development.

### **Dividends and Closing of the Fund**

To remain flexible in the investing process and promote the unitholders interests the board is able to make a decision on closing the fund to new investments. These decisions should be made regularly by the board, considering the relevant market conditions. By closing the fund, the liquidity risk will decrease as a result. The board has set the capital limit to 2 million SEK +/- 0,2 million SEK. If the assets under management reach this level, the board has to make a decision about closing the fund to new investments. Alternatively, the board can decide to increase this limit if the market conditions are deemed favourable for new capital to be managed in a way that benefits the unitholders. In the event of such a change, the unitholder and the Swedish Finance Supervisory Authority must be notified promptly. In the event of a decision to close the fund, the unitholders and Swedish Finance Supervisory Authority must be notified at the latest one month before the closing. The month that follows is the last month where new subscriptions can be made. If the AIF manager opens the fund again, they must notify unitholders via the website, phone or email.

### **Information about the EU's regulation regarding the use of indices as a reference value**

From the 1st of January, 2018 the EU's new rules regarding the use of indices as a reference value for financial instruments and financial agreements or to use to determine investment funds' performances, entered into force. The rules are applicable if one determines a fund's performance by comparing its development to an index or a combination of indices, or if one uses it to decide on asset allocation within a portfolio or uses it to calculate a performance based fee relative to the index. ALCUR uses a reference value when calculating the performance-based fee in relation to the SSVX90. According to the EU rules, administrators of indices must be approved by the European Securities and Markets Authority (ESMA) before May 2020. SSVX90 is supplied by an administrator that has not yet been approved by ESMA. Updated information regarding whether or not the administrator has been approved will be presented, at the latest, in the informational brochure that is created after January 1<sup>st</sup> 2021. The AIF manager must have a plan of action, if a reference value stops getting supplied or if there is any essential change in the nature of the reference value. Should this happen, ALCUR will try to identify another relevant reference value and apply for the Swedish Finance Supervisory Authority's approval to change the fund statutes and replace the previous reference value.

### **Level of Activity in the Management of the Fund and Benchmark Index**

The fund is an actively managed special fund with concentrated holdings and specially defined target, by which there currently exists no producers of indices

which provides a relevant index. The fund therefore has no relevant benchmark index.

### Sustainability Information

*Transparency in terms of integration of sustainability risks, about the promotion of environmental and social characteristics and sustainable investment.*

An objective of the fund is to maintain a sustainable investment

The fund promotes for example environmental or social characteristics

Sustainability risks are considered in the decision of investments, without the fund promoting environmental or social characteristics or has sustainable investment as an objective

Sustainability risks are not relevant (explanation below)

Comment made by the AIF manager:

The AIF manager's policy about integration of sustainable risks account for sustainability risks in the investment process. As a part of the company's investment process, sustainability risks that can have an actual or potential negative impact on the value of the investment are identified. With sustainability risks means such issues that are environmental, social or linked to the corporate governance.

The fund manager has made an assessment stating that the most important sustainability issues are environmental, social and linked to corporate governance. Every identified sustainability risk is assessed individually for every investment. The fund managers assess if an environmental event could lead to a sustainability risk, which could worsen a company's possibilities to run their operations and thereby result in worsened company profit. Consequently, this could lead to a decreasing development of the fund. Moreover, the fund managers see that social events, such as infection diseases, could possibly lead to a worsened company profit and negative consequences on the fund.

Governance related risks are mainly associated with corporate governance and is considered to affect the development of the fund negatively if for example fraud would appear. The fund managers therefore assesses that the sustainability risks possible impact on the FUNDS return could be negative.

Integration of environmental risks is taken into consideration by the FUNDS investment process. The FUND is actively managed and chooses its holdings based on fundamental company analysis. The FUND's general investment philosophy is to invest in companies that are evaluated as having a great risk-reward, possibility to great risk-adjusted return, and which has better growth opportunities relative to its competitors. ESG risks and opportunities are taken into consideration and are integrated into the investment process. The ESG analysis is based on external sustainability information in combination with an internal analysis linked to ESG risks and

opportunities. The ESG analysis is a complement to the fundamental analysis.

The managers identify sustainability risks which means that companies are excluded if their operation does not match with the investment strategy. From the methods for integration of sustainability risks, the managers assess if an environmental, social or corporate governance-related event or circumstance which, if it would happen, should have an actual or potential negative impact on the value of the investment.

*Sustainability-related characteristics promoted in the managing of the fund, or which are included in the objectives of the fund.*

Environmental characteristics (ex. The company's impact on environment and climate).

Social characteristics (ex. Human rights, labor rights, and equality).

Praxis for good steering (ex. Shareholders rights, questions about replacement to executives, and counteraction against corruption).

Other sustainability-related characteristics.

Comment made by the fund company:

The fund takes environmental, social questions and aspects related to corporate governance into consideration. The starting point is one for each portfolio company. In the management of the alternative investment funds, which the company manages, environmental risks are integrated into the investment decision by the company's manager evaluating and analyzing investment objects where risks related to sustainability are taken into consideration.

The sustainability analysis is done by an external evaluation of actual risks issued by an external part. The managers also use a positive screening method, which means that they within each sector invest in the best companies. Further, active dialogue with the company, which is invested in is done, to create prerequisites for impact in a more sustainable direction.

*Reference values:*

The fund has the following index as its reference value:

No index has been chosen as a reference value

Comment made by the fund company;

The FUND is a special fund that has the Nordics as its main investment area. The fund has no comparison index but uses the risk-free rate as its comparison rate.

*Methods used to integrate environmental risks, promote environmental-related or social characteristics.*

#### Positive screening

Comment made by the AIF manager:

The FUND's overall philosophy is to invest in a company that has a great potential of value and offers a great risk-adjusted return. The fund can also short

companies which are evaluated as not fulfilling the fund company's criteria of investment. The company's ESG analysis is based on external sustainability data in combination with an internal materiality analysis which is linked to ESG risks and ESG potentials. The ESG analysis complements the financial analysis. The managers identify sustainability risks and include companies whose operations conform with the fund's investment philosophy. The objective is to choose companies in the portfolio, which have strong ESG prerequisites today or companies where a transition towards a more sustainable business model creates opportunities for return. Based on the ESG analysis, a discussion with the company about their risks and opportunities with the ambition to actively affect the companies.

### Negative screening

The fund does not invest in companies which are involved in the following products and services. A maximum of five percent of the revenue in the company where the investment takes place may refer to activities that are attributable as a result of the investment's focus.

Products and services:

Cluster bombs, personnel mines

The company's comment:

Chemical and biological weapons

The company's comment:

Nuclear weapons

The fund company's comment:

Weapons and/ or war material

The company's comment

Alcohol

The fund company's comment: Companies where more than 5% of revenues derives from alcohol.

Tobacco

The company's comment: Companies where more than 5% of the revenues derives from tobacco.

Commercial gaming operations

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Pornography

The company's comment: Companies where more than 1% of revenues derive from pornography.

Fossil fuels (oil, gas, coal)

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Coal

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Uranium

The company's comment:

Genetically modified organisms (GMO)

Comment made by the AIF manager:

Other

- Oil sands

The company's comment: Companies where more than 50% of the revenues derives from oil san

International norms

International norms refer to international conventions, laws, and concordances like the UN Global Compact and UECDs guidelines for multinational company's which are related to the environment, human rights, working conditions, and business ethics.

The fund does not invest in companies that violate international norms. The evaluation is done, either by the fund company itself or by a subcontractor.

The fund does not invest in companies that do not take measures to deal with identified problems or where the fund believes the company will not deal with the problems during a time that the fund company evaluates as fair in the single case.

Comment made by the AIF manager:

International norms and guidelines, like UNs leading principles for business operations and human rights, the ten principles in the UN Global Compact (currently waiting for an accepted application), SWESIF, and PRI are guidelines which the FUND has chosen to take into consideration.

Countries

From sustainability reasons the fund does not place in companies involved in certain countries/ interest bearing securities from certain states.

Other

Other

Comment made by the AIF manager:

The FUND has the Nordics as its area of investment.

**The AIF manager influences**

The AIF manager uses its influence to affect companies in environmental questions, and have relations with companies in order to affect them in a more sustainable direction.

Corporate influence in own auspices

Comment made by the AIF manager:

In the company's ESG analysis, questions asked in coming meetings with companies the fund invests in are taken into consideration. The ESG analysis is documented together with dialogues carried about sustainable questions. By this, the FUND creates possibilities to affect the portfolios holdings in a more sustainable direction.

Corporate influence in collaboration with other investors.

Comment made by the AIF manager:

Corporate influence by external retailers/ consultants

The company's comment:

Voting in annual general meetings

Comment made by the AIF manager:

Ambition to vote in annual general meetings

☒ Participation in nomination committees to affect the constellation of the board.

Comment made by the AIF manager:

## **Fund Statutes ALCUR**

### **§ 1 The legal status of the fund**

The fund's name is ALCUR (referred to as "the fund" throughout the rules).

The fund is open to the public, meaning individuals, institutional investors, foundations and companies.

The fund is a special fund according to the law regulating managers of alternative investment funds (2013:561), commonly known as LAIF. The fund operates according to LAIF. These fund rules, the AIF manager's articles of association along with other relevant laws and regulations.

The fund is not a legal entity, and therefore is unable to assume rights or obligations. The fund cannot institute a claim in court or any other judicial authority. Property held by a special fund is not subject to distraint. The fund represents the unitholders in proceedings related to the special fund.

The assets under management mutually are owned by the unitholders and every fund unit has the same right to the fund's assets. Unitholders are not responsible for any of the fund's obligations.

### **§ 2 Fund Manager**

The fund is managed by ALCUR FONDER AB, Organisation Registration Number 556703-4870 (referred to as "the AIF manager" throughout the rules). The AIF manager represents the unitholders in any proceedings related to the fund.

### **§ 3 Custodian**

The fund's assets are stored by Skandinaviska Enskilda Banken AB (publ), Organisation Registration Number 502032-9081, (referred to as "the custodian").

The custodian will act independently from the AIF manager and act solely for the best interest of the unitholders. The custodian will ensure that the managers comply with LAIF, the Swedish Finance Supervisory Authority's regulations regarding the managers of alternative investment funds (FFFS 2013:10) along with the fund statutes throughout the fund's management operations, calculation of fund unit value and throughout the trade of the fund's units.

The custodian will act according to decisions that the AIF manager has made in regard to the fund, provided that these decisions do not go against regulations in LAIF, the Swedish Finance Supervisory Authority's regulations or the fund rules.

The custodian will receive and store the fund's assets and control that the valuation, redemption and sale of fund units is done in accordance with the law, regulations and the fund rules. Additionally, the

custodian will ensure that the fund's assets are made available to the AIF manager, without delay. The custodian will also ensure that the fund's funds are used in accordance with the law and fund rules.

If the fund holds foreign financial instruments, the custodian will let an appropriate foreign custodian store the assets. However, this does not take away their responsibility as a custodian, regulated in LAIF.

### **§ 4 The Fund's Character**

The fund is a special fund according to LAIF with the objective of achieving absolute returns.

The fund primarily invests in the Nordic securities and interest rate markets, but it can invest throughout the world. The fund's objective is to generate positive returns, regardless of the stock markets development. The fund's investment policy is far more open compared to common mutual funds.

Short positions (the sale of financial instruments that the fund does not own, but maintains control over), financial derivatives and leverage will be a part of the fund's management. Generally, the fund will be more concentrated around a few particular holdings, compared to a traditional common fund.

The objective is not to generate positive returns every month, but rather perform above the benchmark performance of the comparable rate (90SSVX), on an annual basis.

### **§ 5 The fund's investment policy**

The assets of the fund can be placed in transferable securities, monetary instruments, fund units, derivative instruments and in a credit institute account.

The fund assets should at a minimum of 50% be placed in nordic markets, but investments can be conducted in financial instruments on a global scale.

#### **§ 5.1 The fund's investment restrictions**

A fund is a special fund if it deviates in any way from what is applicable to common mutual funds in the law of common mutual funds (2004:46) (LVF) or the Swedish Finance Supervisory Authority's regulations (FFFS 2013:9) regarding common mutual funds.

The fund is exempt from certain regulations in LVF and (FFFS 2013:9) regarding common mutual funds.

References to the law and regulations are made in the investment restrictions below.

#### **§ 5.1.1 Transferable securities and money market instruments**

Transferable securities and money market instruments from the same issuer can may not exceed 30 percent

of the fund's value, provided that assets that have a value exceeding 5% do not exceed 70% of the fund's value. This restriction deviates from 5:6:1 LVF and 5:6:2 LVF in addition to 20 § 1st paragraph LVF. If the issuer is the Swedish government, the position may not exceed 100% of the fund's value, provided that the debt obligations come from three different rounds of debt issuance, and that debt obligations from the same issuance round do not exceed 40% of the fund's value. This restriction deviates from 5:6:2:1 LVF.

The fund can invest in transferable securities and monetary instruments that are mentioned in 5:5§ LVF, to a value that does not exceed 20% of the fund's value. This restriction deviates from the 1st paragraph 5:5§ LVF.

#### **§ 5.1.2 Accounts at credit institutions**

The fund can deposit funds into accounts at the same credit institutions, or credit institutions that are a part of the same corporation, to a value that does not exceed 1/3 of the fund's value. This restriction deviates from 5:11§ LVF.

#### **§ 5.1.3 Fund units**

Holdings in external funds or foreign investment funds may not exceed 10 percent of the fund's value.

#### **§ 5.1.4 Financial Derivatives**

The fund can use financial derivatives without having the ability to pay the underlying assets or corresponding assets. The fund's trade in financial derivatives can result in the fund having negative exposure in the underlying asset. The fund can trade in commodity derivatives. The fund cannot let positions in derivatives get physically delivered.

The total collateral requirements for sold options may not exceed 30 percent of the fund's value. The calculations are exempt from not sold options where the risk has been eliminated due to the possession of the underlying instrument or a short position.

The total collateral requirement for futures, bought or sold, regardless of the underlying financial instrument or index, cannot exceed 30 percent of the fund's value. The total value of sold derivatives, standardised or unstandardized, including any futures, may not exceed 30 percent of the fund's value.

The total collateral requirement that the fund may not exceed, as a result of trade in standardised and unstandardized financial derivatives, bonds or any other security, that the fund cannot exceed is 150 percent of the fund's value.

If the fund, as a result of an acquisition, exceeds any of the investment restrictions it must sell transferable securities or other financial instruments to an such an extent that investment restrictions are met. This must happen in as short of a time as possible so that to ensure the interests of the unitholders.

### **§ 5.2 Other investment limits**

The fund can hold a maximum of 30 percent of shares without voting rights that have the same issuer. This restriction deviates from 5:19:1 LVF.

The fund's holdings in bonds and other debt obligations cannot exceed 30 percent of the total instruments from the same issuer. This restriction deviates from 5:19 LVF 1st 2 LVF.

The fund can hold a maximum of 20 percent of the share capital or voting rights, that have been issued by the same issuer, unless the shares in question are unlisted. This deviates from 5:20:1 LVF.

The fund's exposure to one single company or company group cannot exceed 50 percent of the fund's value. This restriction deviates from 5:21 and 5:22 LVF.

Securities loans amounting to 50 percent of the fund's value can be lent out in return for collateral and customary terms. This restriction deviates from 25:21 LVF and the 3<sup>rd</sup> paragraph in FFFS 2013:9. Raised securities loans cannot amount to a value exceeding 200 percent of the fund's value.

Raised cash loans cannot exceed 50 percent of the fund's value. This restriction deviates from 5:23 1<sup>st</sup> and 2<sup>nd</sup> paragraphs LVF.

### **§ 5.3 The fund's risk level and risk measures**

The fund's risk level may increase over time, in line with the fund's increase in value. The fund aims to have a volatility over time that does not exceed the overall volatility for OMX Nordic.

The fund's risk will be measured in absolute Value-at-Risk, (VaR) which is the fund's risk measure. The fund uses the variance-covariance method to calculate VaR.

The fund's VaR is calculated within a 1-day time period and a confidence interval of 95%. The measure is given as a percentage of the fund's value. The fund aims to have a risk level, VaR, that does not exceed 2 percent, calculated using the daily average over 20 days.

The fund will, given the opportunity, always apply the principle of risk spreading.

### **§ 6 Marketplaces**

The fund's funds must be invested in regulated markets, MTFs or equivalent alternatives within the EES or outside the EES. Trade can also occur in other markets within, our outside, the EES, provided that it is regulated and open to the public.

### **§ 7 Specific Investment Policy**

The fund can invest in transferable securities and money market instruments that are mentioned in 5:5 LVF.

Trade in financial derivatives can be used as a tool for the fund's general investment policy. The fund does not trade in OTC derivatives.

The fund can invest in commodity derivatives.

### **§ 8 Valuation**

The funds value is calculated by summing up the fund's value (financial instruments, cash and other assets

including accrued returns) and subtracting the fund's debts including accrued costs and taxes. The value of a fund unit is the entire fund's value divided by the number of outstanding units.

Transaction related costs such as brokerage fees, clearing fees and other similar costs are paid by the fund. Financial instruments such as transferable securities, money market instruments and fund units, that are held by fund, are valued at market value. This refers to the latest purchase price, should this not exist, the value that is used is the latest sales price. Should these values be missing, or if the AIF manager decides that they are inaccurate, then the AIF manager can value the asset on objective grounds.

The Swedish Finance Supervisory Authority has granted the fund exemption from the regulations in 4:10:3 LVF. This means that the fund unit value (NAV) is calculated at the end of every month, the last business day of the month. NAV is published, at the latest, a week later.

The market value of unlisted financial instruments will be determined by the AIF manager, on objective grounds and information regarding similar transactions that have occurred under similar market circumstances and recently. The basis for this valuation could be a valuation from an unapproved stock market or market maker, a comparable financial instrument adjusted for differences such as risk. If the market value cannot be determined, then an independent valuation will be conducted.

The AIF manager has the right to cancel the valuation of fund units and the publishing of the fund unit value, if there are extraordinary circumstances in place that hinders the accurate valuation of fund units, which in turn ensures the equal rights of the fund's unitholders.

Every month a short report regarding the value development of the fund and the fund units is sent out to the unitholders.

### **§ 9 Subscription and redemption of fund units**

The Swedish Finance Supervisory Authority has granted the fund exemption from the regulations in 4:13:1 LVF. Subscription and redemption of fund units can only occur at the end of every month. Subscription and redemption orders cannot be limited.

Subscription and redemption requests must be done through the appropriate form, that is available at the AIF managers, according to more specific instructions in the Informational Brochure. Unitholders are responsible for subscription and redemption requests being accurate and correctly received by the AIF manager, this should be ensured by receiving written confirmation from the AIF manager. If the AIF has not confirmed receipt, the order will not be executed.

Subscription requests must be made available to the AIF manager, at the latest 12pm the last bank day in the month, or 11am half working days the last bank day in the month. The payment should be transferred to the fund's bank account, at the latest, two days before

the end of the month. The unit subscription price is the unit's market value at the end of the month. The smallest amount for any initial subscription is 500 000 SEK, thereafter subscriptions of 100 000 multiples are permitted. The AIF manager can charge a maximum subscription fee of 5 percent.

Redemption requests must be made available to the AIF manager at the latest 12.00 p.m. ten banking days before the end of the month. The unit redemption price is the unit's market value at the end of the month. The AIF manager can charge a maximum redemption fee of 0,5 percent. Redemption payments will be transferred to the unitholders bank account, at the latest, within 7 business days of the following month.

To optimize the fund's manager's management volume, the AIF manager has the right to close the fund. This means that a subscription of units is not possible. Such a decision about closing the fund assumes that the fund's managing capital sums up to a size that exceeds the capital threshold decided by the AIF manager. The decided capital threshold for optimal asset management is shown on the AIF-manager's website. A decision about closing the fund should be communicated in connection to the decision, however, 30 days before the day of which decision about closing the fund shall enter into force and the fund will be closed. Decision in line with above is taken by the board, or by the CEO in accordance with the board's instruction.

The AIF manager's decision about the opening of the fund should be communicated concerning the decision, at last, 30 days before the day in which subscription of new units can happen again. Information about the decision about the closing respective opening of the fund should be announced on the AIF-manager's website and be sent to unitholders by email.

### **§ 10 Closing due to extraordinary circumstances**

The fund can be shut for redemption and subscription as a result of extraordinary circumstances that hinder the accurate valuation of the fund's assets, meaning that a valuation that ensures the unitholders equal rights, is not possible.

### **§ 11 Fees and compensation**

#### **General**

The total compensation that unitholders pay constitutes compensation for management, storage, auditors, marketing and costs for supervision that should be paid to the financial supervisory authority.

Costs for analysis and transaction costs such as *brokerage fees, taxes, delivery and other costs that are of importance for the fund's assets and purchases and sale of these should be paid by the fund.*

#### **Fixed compensation**

The compensation to the AIF-manager may not exceed 1,1 percent per year of the total fund value. There is a replacement cost to the custodian such as

performance of certain tasks and the withdrawal may not exceed 0,1 percent per year of the total fund value. Compensation should be paid monthly in arrears with 1/12 of the current annual fee per month be calculated from the fund's value the first banking day every month. The highest fee that can be taken from the fund according to above is 1,2 percent per year of the total fund assets.

### **Performance based compensation**

Additionally, there is performance related compensation to the AIF manager that amounts to 20% of the profits that outperform the performance threshold. The performance threshold is the average interest rate on Swedish 90-day treasury bills, on the first business day of every month.

The performance-based fee will be paid at the end of every month. The fixed fee shall be deducted before performance is calculated. This means that unitholders pay equal amounts per fund unit in the event of performance-based fee being charged. Compensation is rounded down to the nearest whole Swedish krona.

If the returns in a month fall below the performance threshold, but the fund performs above the threshold in the following month, then no performance-based fee will be charged until the previous 'under-performance' has been compensated. If a unitholder redeems their units before this 'under-performance' has been compensated, then the fund unitholder will not receive compensation for this at the point of withdrawal.

### **§ 12 Dividends**

In general, the fund does not pay dividends, instead all income is reinvested into the fund. The AIF manager can however decide to pay dividends to the fund's unitholders should they decide that this is necessary to ensure the unitholder's best interests. In the event that dividends are paid out then this will be done in an appropriate manner. Dividends will be paid in June. Any dividends that are unitholders are entitled to, will be used to, after tax deductions, by more fund units on behalf of the unitholder, who at the time is the registered unitholder. Should a unitholder request it, then dividends will be paid to the unitholder, after tax deductions. Any such request must be made available to the AIF manager no later than the deadline that the AIF manager has presented.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-Annual and Annual Reports, Changes in Fund Rules**

The AIF manager will present an annual report for the fund, at the latest, within 4 months of the end of the financial year. Additionally, the AIF manager will present a semi-annual report, at the latest, within 3 months of the end of the mid-year point. The reports are to be sent to the unitholders who have requested them. In addition, a shorter report regarding the fund's development will be sent to the unitholders. The annual and semi-annual reports will be made available

to the unitholders at the AIF managers and the custodian.

Any changes to the fund statutes should be approved by the Swedish Finance Supervisory Authority. If the authority approves the changes, then the updated fund statutes will be made available at the AIF manager and the custodian, in addition to being presented in the manner that the Swedish Finance Supervisory Authority deems appropriate. Any changes to the fund statutes enter into the force as a result of the announcement, or they will enter into force at the point that the announcement mentions. Changes to the fund statutes are applicable to all the fund's unitholders.

### **§ 15 Pledging and transfer**

Unitholders cannot pledge their fund units. The AIF manager should be given written notification of any requests to transfer fund units. Unitholders are responsible for the application being properly signed. Transfer applications should contain the name of transferor, the recipient of the fund units, personal number / organisation registration numbers, address, telephone numbers, securities account or custodian bank and custodian account number and account number in addition to the reason for the transfer of fund units.

A transfer of fund units is contingent on the approval of the AIF manager. The AIF manager only approves the transfer if it is a result of a distribution of an estate between married couples, a gift between spouses or their children or is a transfer between legal entities within the same corporate group. The transfer will only be approved if the recipient also assumes the fund unit's acquisition value.

### **§ 16 Liability limits**

In the event that the custodian loses financial instruments that were stored within the custodian, the custodian must, without delay, return similar financial instruments or a cash amount for the value of the instruments to the fund. Meanwhile the custodian is not responsible for any loss of financial instruments, or any other damages, that have been a result of external events that are outside of the custodian's control, such as Swedish or foreign enactment, Swedish or foreign act of public authority, war, strikes, blockades, boycott, lockout or any other similar circumstance. The AIF manager is not liable for any damages that have occurred due to external circumstances that are outside the manager's immediate control. The reservation regarding strikes, blockades, boycotts and lockouts still apply to the custodian and the AIF manager, even though they are a part of or they themselves are the cause of the circumstance. Neither the custodian or the AIF manager is liable for damages that are the result of Swedish or foreign stock markets, other marketplaces, central securities depositories or other clearing organisations

The custodian or the AIF manager are not liable for damages that have occurred as a result of the

availability of a financial instrument being limited to the custodian or the AIF manager.

The AIF manager or the custodian are not liable for any damages that have occurred in other cases, if they have acted in a usual careful manner and this is not contrary to the law. The AIF manager and the custodian are never liable for any indirect damages. In the event of circumstances that are mentioned in the 2<sup>nd</sup> paragraph, hindering the AIF manager or the custodian from acting, then the act can be deferred until the obstacle is removed. In the event of a payment delay, as a result of these circumstances, the AIF manager or the custodian will not charge interest. Has interest been agreed upon, then the AIF manager and the custodian will pay the agreed interest, for the delay starting at the date of maturity. Should the custodian be unable to accept payment on behalf of the fund, as a result of the circumstances mentioned in the 2<sup>nd</sup> paragraph, then they can only charge interest according to the agreed upon terms on the date of maturity. The AIF manager is not responsible for damages that were caused by the custodian. The AIF manager is not liable for damages that have been caused by a unitholder, or anyone else, breaking the law or any other regulation or the fund rules. The unitholders are hereby notified that they are responsible for making sure that any documents that have been made available to the AIF manager are authentic, accurate and correctly signed. Additionally, the AIF manager should be notified of any changes to the documents or details left by the unitholders.

The AIF manager is liable for damages according to 8:28-31 §§ LAIF. The custodian is liable for damage according to 9:22§ LAIF.

### **§ 17 Investors**

The fund is open to the public; however, this does not mean that the fund is open to investors whose subscription of fund units would be in violation of any Swedish or foreign law or regulation. The fund is not open to investors whose subscription or holding of fund units would result in the fund or the AIF manager being responsible for registration actions, or any other actions, The AIF manager has the right to refuse subscription to investors who are described above.

The AIF manager can redeem fund units, against the will of the unitholder, should they be made aware that the subscription of fund units was conducted in violation with Swedish or foreign laws and regulations. Similarly, the AIF manager can redeem fund units if the subscription or holding of them, results in the AIF manager being responsible for additional registration acts, or any other acts, that they normally would not have to conduct should the unitholder not have held or subscribed to the units.

Redemption according to the previous paragraph, will be done in conjunction with the end of the month. Redemption payments are **carried** out according to §9.

## ALCUR SELECT

AIF registered in Sweden

### Fund name and legal status

ALCUR Select is a special fund according to the law regulating managers of alternative investment funds (2013:561) registered in Sweden. The fund is managed by ALCUR FONDER AB ("the AIF manager"), who is supervised by the Swedish Finance Supervisory Authority.

### Investment Objective and Investment Policy

ALCUR SELECT is a **special fund** that focuses on investing in equities in small and medium-sized companies in the Nordic region, with high potential given their risk. At least 50% of the fund's assets must be placed in Sweden. The fund will over time have a positive net exposure against the market. The fund can hold short positions. The fund does not benchmark itself with an index, instead it uses the risk-free rate of return (SSVX90 + 5 percentage points).

The fund is a special fund, meaning that its holdings can be more concentrated in comparison with a regular mutual fund. The fund's six largest holdings can make up 60 percent of the fund's value, at the initial investment point.

Generally, the fund's investment strategy is based on long-term potential, value, development of profit estimates, general market direction along with risk adjusted returns. Value means that investments, both short and long positions, are based on fundamentals along with the manager's understanding of the asset value that they are investing in. The managers also take a close interest in the development of profit estimates and how they may change in the future. Investments are primarily long-term (longer than 12 months). The fund's net and gross exposure is affected by the managers assessment of the investment possibilities.

The fund can use futures to get market exposure or to sell market risk. The fund can short securities (sell securities they do not own). Usually, the purpose of such an investment is to sell over-valued assets, in the same way that the managers would go about buying an undervalued asset.

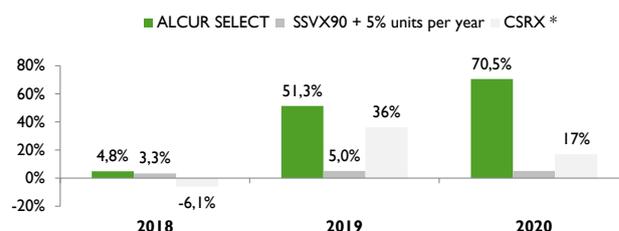
Financial derivatives can be used to give the fund leverage in certain periods. Call and put options can, in periods, be bought and issued for values that exceed the value of the underlying security. ALCUR SELECTS's investment restrictions are further specified in the fund rules.

The fund's means can be placed in transferable securities, money market instruments, financial derivatives, fund units and accounts in credit institutions. A maximum of 10 percent of the fund's value can be placed in fund units. Unlisted holdings can make up 20 percent of the fund's value. Trade in

financial derivatives can be used as a tool for the fund's general investment policy. The fund has the possibility to lend a portion of its holdings in securities in exchange for a determined interest rate that gets paid to the fund and contributes to the fund's returns. Usually the fund does not pay dividends, all income is reinvested in the fund.

Deposits at the end of the month, and withdrawals and withdrawals at the end of every quarter.

### GRAPH OF HISTORICAL RETURN



The graph above shows the historical performance in SEK. The numbers are attributable to unitholders who have been with the fund since its inception. No adjustment for inflation has been made. The profit is presented after deductions for fees and tax. The funds benchmark index for fee calculation is based upon SSVX90 + 5 percentage points.

### Target Group

The fund targets itself to people who can be described as equal partners, professional and non-professional. The investor should have some basic knowledge of funds and be able to make an evaluated investment decision after reading information documents about the fund. The investment horizon should be longer than three years. Investors must accept that the fund could decrease in value, even if the markets go up. Similarly, investors must be able to lose their entire invested capital, or more. The fund is not suited for investors who want to be sure that they will only lose a part of their invested capital or be sure that they will retain their entire investment.

### The Fund's Risk Profile

Investing in equities and funds always has a market risk associated with it, as a result of market swings affecting unit prices. There is less diversification in a special fund like ALCUR SELECT compared to a UCITS fund. This is a result of special funds having the ability to concentrate their portfolio, being able to short stocks and the market along with being able to invest in assets other than equities.

There is a risk associated with the managers making the wrong assumptions regarding their evaluation of both specific stocks and the market in general. To minimize this risk, holdings and the market conditions that assumptions are based upon are regularly re-evaluated.

The AIF managers uses established systems and routines to analyse risks in both individual positions

along with the portfolio as a whole. The AIF manager's risk management systems allow for the regular calculation of a variety of risk measures such as volatility, standard deviation, beta, Sharpe ratio and Value at Risk (VaR).

A concentrated portfolio means that the portfolio can contain relatively few individual holdings. The fund can invest throughout the Nordic region, but at least 50% of the fund's value must be invested in the Swedish markets. This has a currency risk associated with it. The conversion of the price of the foreign security is affected by the foreign currencies value change in comparison to the Swedish krona. The fund can currency hedge, according to its fund rules, but may choose not to.

The fund's *liquidity risk* is made up of two parts. Firstly, there is a cash flow risk, meaning that the fund does not have enough cash to pay its obligations (redemption of units). Secondly, there is a market liquidity risk, meaning that a security cannot be sold off within the desired timeframe without large price reductions or costs to the fund. Generally, the fund sees cash as an asset type that has option value (possibility to buy when liquidity is low), as a result the fund is able to meet unit redemption demands and take advantage of opportunities that suddenly arise and are able to positively affect the fund. The fund should also have a reasonable mix of holdings to effectively manage any liquidity risk. The AIF manager also manages the risk by being able to restrict the fund's size in addition to the fund only being open for depositing once a month. Withdrawals from the fund have to be announced to the AIF managers 30 business days before the month's end, which allows the AIF managers room to operate and plan the fund's cash flow.

The fund is able to lend parts of its shareholdings in exchange for a determined interest rate that contributes to the fund's returns. Shares are lent to counterparties with high credit worthiness against collateral with low market and credit risk, which results in the fund's risk profile remaining largely unchanged, but a counterparty risk arises. The collateral received for the shares must have a value equal to the shares market value. The fund can use financial derivatives to get market exposure or to sell market risk. The fund can short securities. The purpose of shorting is to protect existing holdings, to sell overvalued assets, in the same way that the managers buy assets that are undervalued. When calculating the fund's total exposure, the commitment method is used. This means that positions are translated to a corresponding position of the underlying asset.

### **Leverage**

Leverage means that investment managers increase their exposure for a managed fund by borrowing cash, securities, using financial derivatives, or any other way. Leverage is calculated using a ratio, where the fund's

exposure is divided by the fund's value. According to the current fund rules, ALCUR has some exceptions in comparison to common mutual funds. The commitment method is used to calculate the fund's exposure as a result of their use of financial derivatives. When calculating the total exposure, the AIF manager takes both hedging and netting into account. ALCUR SELECT can use the fund's assets as collateral to cover commitments that have arisen as a result of the management of the fund. For example, collateral could be used to secure a pledge agreement, or a so-called transfer of title, where the ownership is transferred to the fund's counterparty.

### **Liquidity Risk Management**

ALCUR SELECTS's *liquidity risk* is a result of the fund's commitments and holdings. The commitments are a result of the fund's unitholders' abilities to deposit their units in accordance with the fund statutes and other commitments that the fund has, which can be a result of, for example, the issuing of financial derivatives or short positions. ALCUR FONDER regularly controls that ALCUR SELECT has a reasonable composition of liquid assets along with the commitments being within the scope of what is reasonable for the fund. To make this possible risk measures are calculated and possibly limited, along with established routines that are to be applied before the fund makes an investment. To make sure that the risk measures and limits are reasonable and sufficient stress tests are regularly carried out. If the stress tests indicate that there is a need for new or changed risk measure or limits, this is done with supervision. Additionally, if the stress tests indicate that the liquidity risk is considerably higher than what is stated in the fund's risk profile, the AIF manager must establish a plan of action to manage this liquidity risk.

### **Regular Updates Regarding Risk, Liquidity Management and Leverage**

ALCUR FONDER records and reports information about risk and liquidity management. Information regarding current risk profile and risk management systems that are being applied, along with information about the possible proportion of non-liquid assets in the fund are reported in the annual and semi-annual reports. Any essential information about changes in the fund's liquidity risk management are also presented in the annual and semi-annual reports.

### **Restrictions**

The fund's investment restrictions are detailed in the fund rules. The fund can invest in transferable securities, money market instruments, financial derivatives, fund units and accounts at credit institutions. The fund's six largest holdings can make up a maximum of 60% of the fund's value at the point of initial investment. A maximum of 20% of the fund's value can be invested in unlisted holdings. The fund can hold short positions to an amount that does not exceed 100% of the fund's value. 30% of the fund's

assets can be placed at a credit institution. The fund can exercise significant influence, and hold 20% of a company's voting rights. One company's market cap cannot exceed 0,7% of the relevant stock market's market cap, at the initial point of investment. 20% of the fund's value can be invested in companies outside of this size 'definition.' At least 50% of the fund's value must be placed in Sweden. The relevant stock market's market cap relates to the total aggregate market caps of all the market listed companies in each specific Nordic country.

### **Prime Broker**

A prime broker is for instance a bank, that mainly offers financing services, but also as a counterpart in transactions with different financial instruments, along with services such as clearing, liquidation, custodian services, securities loans, unique technical solutions and support services. ALCUR FONDER can use Skandinaviska Enskilda Banken AB (publ) as its prime broker. At the same time Skandinaviska Enskilda Banken is the fund's custodian and this could result in conflicts of interest. This is a result of Skandinaviska Enskilda Banken, whilst being in a custodian capacity it also controls and offers a variety of other financial services. Skandinaviska Enskilda Banken AB (publ) separates the services they offer as a prime broker and as a custodian, meaning that there is no cooperation between the two, and the two departments work independently of one another. Additionally, the bank has established routines to identify, handle, monitor and present any conflicts of interest that arise. The manager has therefore concluded that ALCUR's unitholders will not be affected negatively by the relationship with Skandinaviska Enskilda Banken.

### **Fixed and Performance-based Fee**

The fund charges a performance-based fee that is calculated and charged every month. The compensation is only paid out when the fund's performance exceeds its benchmark threshold, which for ALCUR SELECT is the Swedish 90-day treasury bill (SSVX90 + 5 percentage units). The fund practices high watermark, meaning that if the fund's performance falls below the performance threshold, but later on performs above the threshold in comparison, the fund will not charge a performance-based fee until the previous relative under performance has been compensated for. The performance-based fee is 20 percent of the fund's over-performance, the part of the fund's development that is above the performance threshold. As a result, there is no maximum for the performance-based fee, it is solely based on the fund's development.

The AIF manager gets compensated for management costs, accountants, marketing along with a fee for controlling and supervision that is charged by the Swedish Finance Supervisory Authority.

The AIF managers charges a fixed fee of 1 percent of the fund's value per year. This compensation is paid monthly, 1%/12, approximately 0,083 percent which is calculated on the fund's value at the end of every month. In addition, there can be a performance-based fee, see above, after deductions for the fixed fee.

### **Highest Fee**

The highest fee that the AIF manager can charge, for redemption and subscription of fund units according to the fund statutes, is presented below.

Subscription fee: 5 %

Redemption fee: 0,5 %

Management fee: 1,2 %\* (of which 1,1 to the AIF-manager and 0,1 to the managing institute)

Performance-based fees are added.

Other costs which have to be paid.

Transaction fees such as brokerage fees, taxes, delivery fees, and other costs that can be attributed to the fund's assets, including the purchase and sale of them, including any fees to the custodian and analysis costs, will be paid by the fund.

### **Current fee**

The current fees that the AIF manager charges for the subscription and redemption of fund units are presented below.

Subscription fee: 0 %

Redemption fee: 0 %

Management fee: 1 % including 20 % performance-based fee on performance that exceeds performance threshold, SSVX90 + 5 percentage units.

The fund can also be charged, if it is allowed according to the law, for analysis costs.

### **Subscription/redemption of fund units**

Subscription of fund units can only occur at the end of every month. Notification of intent to subscribe to units has to be made available to the AIF manager at least at 12pm the last banking day in the month, or 11am if such a day is a half working day. Payment should be placed on the fund's account at the custodian on the last banking day before the turn of the month. The smallest amount for any initial subscription is 500 000 SEK, thereafter subscriptions of 100 000 multiples are permitted. Redemption of fund units can only occur at the end of every quarter, and notification of intent to redeem fund units must be made available to the AIF manager 30 business days before the end of the quarter. The fund's functional currency is Swedish krona. The fund unit's value at the end of the month is the subscription price, the unit's value at the end of the quarter is the unit's redemption price. Subscription and redemption orders cannot be limited.

The subscriber/unitholder is responsible for the subscription/redemption document being correctly signed or that it is electronically signed, that the given bank account number is correct and that all other

documents and information that the AIF manager needs are made available to the AIF manager or anyone who the AIF manager says the information should be presented to.

### **Reporting and presenting**

The AIF manager publishes annual and semi-annual reports that can be ordered from the AIF manager. Unitholder receive an email every month containing value updates and a monthly report with updated risk reports, an overview of the fund's performance along with an explanation for the fund's development.

### **Dividends and Closing of the Fund**

To remain flexible in the investing process and promote the unitholders interests the board is able to make a decision on closing the fund to new investments. These decisions should be made regularly by the board, considering the relevant market conditions. By closing the fund, the fund decreases its liquidity risk. The board has set the capital limit to 1,5 million SEK +/- 0,2 million SEK. If the assets under management reach this level, the board has to make a decision about closing the fund to new investments. Alternatively, the board can decide to increase this limit if the market conditions are deemed favourable for new capital to be managed in a way that benefits the unitholders. In the event of such a change, the unitholder and the Swedish Finance Supervisory Authority must be notified promptly. In the event of a decision to close the fund, the unitholders and Swedish Finance Supervisory Authority must be notified at the latest one month before the closing. The month that follows is the last month where new subscriptions can be made. If the AIF manager opens the fund again, they must notify unitholders via the website, phone or email.

### **Information about the EU's regulation regarding the use of indices as a reference value**

From the 1st of January 2018 the EU's new rules regarding the use of indices as a reference value for financial instruments and financial agreements or to use to determine investment funds' performances, entered into force. The rules are applicable if one determines a fund's performance by comparing its development to an index or a combination of indices, or if one uses it to decide on asset allocation within a portfolio or uses it to calculate a performance-based fee relative to the index. ALCUR uses a reference value when calculating the performance-based fee in relation to the SSVX90. According to the EU rules, administrators of indices must be approved by the European Securities and Markets Authority (ESMA) before May 2020. SSVX90 is supplied by an administrator that has not yet been approved by ESMA. Updated information regarding whether or not the administrator has been approved will be presented, at the latest, in the informational brochure that is created after January 1<sup>st</sup> 2021. The AIF manager must have a plan of action, if a reference value sops getting supplied or if there is any essential change

in the nature of the reference value. Should this happen, ALCUR will try to identify another relevant reference value and apply for the Swedish Finance Supervisory Authority's approval to change the fund statutes and replace the previous reference value.

### **Level of Activity in the Management of the Fund and Benchmark Index**

The fund is an actively managed special fund with concentrated holdings and specially defined target, by which there currently exists no producers of indices which provides a relevant index. The fund therefore has no relevant benchmark index.

### **Sustainability Information**

*Transparency in terms of integration of sustainability risks, about the promotion of environmental and social characteristics and sustainable investment.*

An objective of the fund is to maintain a sustainable investment

The fund promotes for example environmental or social characteristics

Sustainability risks are considered in the decision of investments, without the fund promoting environmental or social characteristics or has sustainable investment as an objective

Sustainability risks are not relevant (explanation below)

Comment made by the AIF manager:

The AIF manager's policy about integration of sustainable risks account for sustainability risks in the investment process. As a part of the company's investment process, sustainability risks that can have an actual or potential negative impact on the value of the investment are identified. With sustainability risks means such issues that are environmental, social or linked to the corporate governance.

The fund manager has made an assessment stating that the most important sustainability issues are environmental, social and linked to corporate governance. Every identified sustainability risk is assessed individually for every investment. The fund managers assess if an environmental event could lead to a sustainability risk, which could worsen a company's possibilities to run their operations and thereby result in worsened company profit. Consequently, this could lead to a decreasing development of the fund. Moreover, the fund managers see that social events, such as infection diseases, could possibly lead to a worsened company profit and negative consequences on the fund.

Governance related risks are mainly associated with corporate governance and is considered to affect the development of the fund negatively if for example fraud would appear. The fund managers therefore assesses that the sustainability risks possible impact on the FUNDS return could be negative.

Integration of environmental risks is taken into consideration by the FUNDS investment process. The FUND is actively managed and chooses its holdings

based on fundamental company analysis. The FUND's general investment philosophy is to invest in companies that are evaluated as having a great risk-reward, possibility to great risk-adjusted return, and which has better growth opportunities relative to its competitors. ESG risks and opportunities are taken into consideration and are integrated into the investment process. The ESG analysis is based on external sustainability information in combination with an internal analysis linked to ESG risks and opportunities. The ESG analysis is a complement to the fundamental analysis.

The managers identify sustainability risks which means that companies are excluded if their operation does not match with the investment strategy. From the methods for integration of sustainability risks, the managers assess if an environmental, social or corporate governance-related event or circumstance which, if it would happen, should have an actual or potential negative impact on the value of the investment.

*Sustainability-related characteristics promoted in the managing of the fund, or which are included in the objectives of the fund.*

Environmental characteristics (ex. The company's impact on environment and climate).

Social characteristics (ex. Human rights, labor rights, and equality).

Praxis for good steering (ex. Shareholders rights, questions about replacement to executives, and counteraction against corruption).

Other sustainability-related characteristics.

Comment made by the fund company:

The fund takes environmental, social questions and aspects related to corporate governance into consideration. The starting point is one for each portfolio company. In the management of the alternative investment funds, which the company manages, environmental risks are integrated into the investment decision by the company's manager evaluating and analyzing investment objects where risks related to sustainability are taken into consideration.

The sustainability analysis is done by an external evaluation of actual risks issued by an external part. The managers also use a positive screening method, which means that they within each sector invest in the best companies. Further, active dialogue with the company, which is invested in is done, to create prerequisites for impact in a more sustainable direction.

*Reference values:*

The fund has the following index as its reference value:

No index has been chosen as a reference value

Comment made by the fund company;

The FUND is a special fund that has the Nordics as its main investment area. The fund has no comparison index but uses the risk-free rate as its comparison rate.

*Methods used to integrate environmental risks, promote environmental-related or social characteristics.*

#### Positive screening

Comment made by the AIF manager:

The FUND's overall philosophy is to invest in a company that has a great potential of value and offers a great risk-adjusted return. The fund can also short companies which are evaluated as not fulfilling the fund company's criteria of investment. The company's ESG analysis is based on external sustainability data in combination with an internal materiality analysis which is linked to ESG risks and ESG potentials. The ESG analysis complements the financial analysis. The managers identify sustainability risks and include companies whose operations conform with the fund's investment philosophy. The objective is to choose companies in the portfolio, that have strong ESG prerequisites today or companies where a transition towards a more sustainable business model creates opportunities for return. Based on the ESG analysis, a discussion with the company about their risks and opportunities with the ambition to actively affect the companies.

#### **Negative screening**

The fund does not invest in companies which are involved in the following products and services. A maximum of five percent of the revenue in the company where the investment takes place may refer to activities that are attributable as a result of the investment's focus.

Products and services:

Cluster bombs, personnel mines

The company's comment:

Chemical and biological weapons

The company's comment:

Nuclear weapons

The fund company's comment:

Weapons and/ or war material

The company's comment

Alcohol

The fund company's comment: Companies where more than 5% of revenues derives from alcohol.

Tobacco

The company's comment: Companies where more than 5% of the revenues derives from tobacco.

Commercial gaming operations

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Pornography

The company's comment: Companies where more than 1% of revenues derive from pornography.

Fossil fuels (oil, gas, coal)

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Coal

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Uranium

The company's comment:

Genetically modified organisms (GMO)

Comment made by the AIF manager:

Other

- Oil sands

The company's comment: Companies where more than 50% of the revenues derives from oil sand  
International norms

International norms refer to international conventions, laws, and concordances like the UN Global Compact and UECDs guidelines for multinational company's which are related to the environment, human rights, working conditions, and business ethics.

The fund does not invest in companies that violate international norms. The evaluation is done, either by the fund company itself or by a subcontractor.

The fund does not invest in companies that do not take measures to deal with identified problems or where the fund believes the company will not deal with the problems during a time that the fund company evaluates as fair in the single case.

Comment made by the AIF manager:

International norms and guidelines, like UNs leading principles for business operations and human rights, the ten principles in the UN Global Compact (currently waiting for an accepted application), SWESIF, and PRI are guidelines which the FUND has chosen to take into consideration.

*Countries*

From sustainability reasons the fund does not place in companies involved in certain countries/ interest bearing securities from certain states.

Other

Other

Comment made by the AIF manager:

The FUND has the Nordics as its area of investment.

**The AIF manager influences**

The AIF manager uses its influence to affect companies in environmental questions, and have relations with companies in order to affect them in a more sustainable direction.

Corporate influence in own auspices

Comment made by the AIF manager:

In the company's ESG analysis, questions asked in coming meetings with companies the fund invests in are taken into consideration. The ESG analysis is documented together with dialogues carried about sustainable questions. By this, the FUND creates possibilities to affect the portfolios holdings in a more sustainable direction.

Corporate influence in collaboration with other investors.

Comment made by the AIF manager:

Corporate influence by external retailers/ consultants

The company's comment:  Voting in annual general meetings

Comment made by the AIF manager:

Ambition to vote in annual general meetings

Participation in nomination committees to affect the constellation of the board.

Comment made by the AIF manager:

*Sustainability Information*

Sustainability aspects are considered when managing the fund.

Sustainability aspects are not considered when managing the fund.

*Sustainability aspects that are considered in the management of the fund*

Environmental aspects – the company's effect on the environment and climate

Social aspects – human rights, equality

Corporate leadership aspects - owners, compensation, corruption

... Other sustainability aspects

*Methods used to achieve sustainability*

The fund takes into account

... Sustainability aspects are a deciding factor for the managers choice of company. The fund has specific criteria when evaluating companies with the environment, social and ethical questions in mind. Analysing the company's work with sustainability is a deciding factor for the fund's choice of company.

The fund's managers consider sustainability questions. Sustainability aspects are considered when analysing companies and making investment decisions, which effects, but does not have to be the deciding factor, for choosing a company to be a part of the fund.

The company has an ESG policy and carefully considers sustainability issues and considers progress within these issues to be of value to the unitholder, not only "shareholder value" is considered, but also these other aspects are considered when companies are chosen. In short, sole focus cannot be placed on earning money. Unitholder value has to be created in a sustainable way to create trust amongst investors, and a long-term business plan.

*Other*

... other sustainability methods used by the fund

The fund refrains from choosing

The fund does not have holdings in companies that are involved in the following; companies that solely sell alcohol, tobacco and weapons. Otherwise the company work in relation to other companies in regard to sustainability. Companies that are considered unsustainable and little will to change are often considered candidates for short positions.

*International norms*

The company aims to follow the agreements that Sweden has regarding ESG questions in their

management. The fund refrains from investing in all companies that have been identified as in disagreement with international norms. Companies that the fund considers unwilling to change or are believed to be unable to deal with their sustainability problems will not be approved for investment.

#### *Countries*

For sustainability reasons the fund does not invest in companies operating in certain countries, or securities issued by certain countries.

#### *Other*

The AIF manager affects

The company aims to encourage other companies that are being analysed or invested in to present their work within ESG and how they intend to better themselves within relevant aspects.

Company effect under their own leadership

As a small investor the AIF managers ability to affect other companies is limited. A dialogue with the company is more important than exclusion. The company is both proactive and reactive in their dialogue with companies that they are invested in. The company can affect through elections or through their votes at annual shareholders meetings.

## **Fund Statutes ALCUR SELECT**

### **§ 1 The Legal Status of the Fund**

The fund's name is ALCUR SELECT (referred to as "the fund" throughout the rules). The fund is a special fund according to the law regulating managers of alternative investment funds (2013:561), commonly known as LAIF. The fund operates according to LAIF, these fund rules, the AIF manager's articles of association along with other relevant laws and regulations.

The assets under management mutually are owned by the unitholders and every fund unit has the same right to the fund's assets. Unitholders are not responsible for any of the fund's obligations.

The fund is unable to assume rights or obligations. The AIF manager manages the fund and represents the unitholders in proceedings related to the special fund. The fund is open to the public.

### **§ 2 Fund Manager**

The fund is managed by ALCUR FONDER AB (previously CONSFAE CAPITAL ADVISORS AB), Organisation Registration Number 556703-4870 (referred to as "the AIF manager" throughout the rules). The AIF manager keeps a record of all of the unitholders.

### **§ 3 Custodian**

The fund's assets are stored by Skandinaviska Enskilda Banken AB (publ), Organisation Registration Number 502032-9081, (referred to as "the custodian").

Voting in general meetings

Normally the company does not vote on general meetings.

Nomination committee work

ALCUR FONDER participates in the nomination committee work when there is a relevant ownership stake, we are asked about participating.

The custodian will act according to decisions that the AIF manager has made regarding the fund, provided that these decisions do not go against regulations in LAIF, the Swedish Finance Supervisory Authority's regulations or the fund rules.

The custodian will receive and store the fund's assets and control that the valuation, redemption and sale of fund units is done in accordance with the law, regulations and the fund rules. Additionally, the custodian will ensure that the fund's assets are made available to the AIF manager, without delay. The custodian will also ensure that the fund's funds are used in accordance with the law and fund rules.

If the fund holds foreign financial instruments, the custodian will let an appropriate foreign custodian store the assets. However, this does not take away their responsibility as a custodian, regulated in LAIF.

### **§ 4 The Fund's Character**

The fund is an actively managed analysis driven hedge fund, categorized as a special fund. The fund focuses on small and medium sized companies in the Nordic region, with a particular focus on Sweden. The fund is diversified but does not follow a particular index or industry.

Actively managed refers to the fund having freer investment rules in comparison to a traditional mutual fund. Additionally, the fund does not follow an index and can be concentrated to fewer holdings. Analysis driven means that the fund buys and sells shares, on the basis of the fund manager's own analyses and general evaluations, instead of as a result of market trends or

financial indices. The fund can place liquid assets in bonds and other interest-related instruments, instead of a bank account, depending on the interest rate environment.

The fund's general investment objective is to achieve the highest possible value growth, with due regard for risk and diligence. This means that the manager diversifies the fund's investments, and considers liquidity and market risk, in addition to their own fundamental business analysis, as the foundation for the fund's investments. The expected returns from an investment is compared to the expected risk.

## § 5 The fund's investment policy

### §5.1 General Policy

The fund's assets can be invested in:

- Transferable securities
- Money market instruments
- Financial derivatives
- Fund Units
- Accounts at credit institutions

The fund's assets can, in accordance with the investment policy, be invested in equities or other financial instruments that are listed on regulated markets in Sweden and the Nordic countries, or intend on being listed on one of these markets within a year of the investment, or in companies who are registered in Sweden or the Nordic countries. The fund's assets can also be invested in financial instruments that are, at the point of investment, traded in Swedish krona or other Nordic currencies.

Regardless of what is mentioned above regarding the fund's geographic policies, the fund can hold financial instruments from other markets that are held by the fund as a result of previous holdings or other corporate events.

The fund can sell financial instruments that they do not hold but maintain control over at the given time of trade, by borrowing securities, this is called shorting. The fund's assets can become collateral for these loans, according to usual business terms with the clearing organisation or securities institute, who can engage in these types of agreements and are under supervision of a Financial Authority.

The fund's investment policy is focused on small and medium-sized Nordic companies, with a particular focus on Sweden. The company's size is defined by its market cap, which at the point of investment cannot exceed 0,7 percent of the relevant stock market's market cap. The relevant stock market's market cap is detailed in the informational brochure. 20 percent of the fund's assets can be invested in companies that do not adhere to this size definition. At least 50 percent of the fund's assets must be invested in Sweden. The fund

can, whenever they please, invest in currency derivatives to currency hedge their investments.

Investments in external funds or foreign investment fund companies cannot exceed 10 percent of the fund's value.

The fund's focus is not specified to a particular industry.

Any underlying assets to financial derivatives that are held by the fund, are defined as assets according to 5:12 1<sup>st</sup> paragraph, of the law regarding securities funds (2004:46), (LVF).

The fund is exempt from certain regulations in LVF or the Swedish Finance Supervisory Authority's regulations regarding securities funds (FFFS 2013:9).

Reference to the particular laws and regulations is done below:

- The fund can invest in transferable securities that are regulated in 5:5 LVF, to an amount that does not exceed 20 percent of the fund's value. This deviates from 5:5 LVF.
- The fund can invest in transferable securities and money market instruments, however, instruments from the same issuer can not exceed 25 percent of the fund's value. Additionally, the total value of holdings that exceed 6 percent of the fund's value cannot exceed 60 percent of the fund's total value, at the point of investment. This deviates from 5:6 LVF, paragraph 1,2 and 3 in addition to 5:21 LVF.
- The fund can hold shares without voting rights, however only 10 percent of the shares given out by the same issuer. These shares cannot exceed 25 percent of the fund's value. This deviates from 5:19 1<sup>st</sup> Paragraph LVF.
- The entire fund company can acquire shares with voting rights, to exercise significant influence over the corporate leadership in a company. However, the total holdings for the fund company cannot exceed 20 percent of the voting rights for the company. This deviates from 5:20 1<sup>st</sup> Paragraph LVF.
- A maximum of 30 percent of the fund's value can be placed in an account at a single credit institution. This deviates from 5:11 LVF.
- The fund can raise loans, using the fund's assets as collateral, to an amount that does not exceed 50 percent of the fund's value. This deviates from 5:11 1<sup>st</sup> paragraph 1<sup>st</sup> point LVF.
- The fund can lend securities amounting to a maximum of 50 percent of the fund's value. This deviates from 25:21 3<sup>rd</sup> paragraph FFFS 2013:9.

### § 5.2 Risk level

The fund's risk measure is standard deviation, which is calculated in 12-month periods and given in percent. The measure shows the variation of the fund's returns

in relation to its average returns. The manager aims to have a standard deviation (risk) for the fund that does not exceed the standard deviation for the Swedish market, which is defined as the OMXSPI. Historically this means that the fund's standard deviation should be in the 5-15 percent range, calculated annually. However, it is possible that the fund's risk exceeds or falls below the expected average risk level, which can be the result of certain market conditions or other extraordinary events. The fund's actual risk level will be presented in the fact sheet.

Other risk measures can be used should the Swedish Finance Supervisory Authority demand it or recommend it.

### § 6 Marketplaces

The fund's assets must be invested in regulated markets, MTFs or equivalent alternatives within a public market in Sweden, Norway, Denmark, Finland or Iceland. Investments in unlisted financial instruments can occur within these countries according to what was mentioned in §5.

### § 7 Specific Investment Policy

The fund can invest in transferable securities and money market instruments that are mentioned in 5:5 LVF. The fund can invest in financial derivatives that are associated with the fund's general investment policy. The fund can invest using the techniques and instruments that are mentioned in 25:21 of the Swedish Finance Supervisory Authority's regulations regarding securities funds (FFFS 2013:9), to create leverage. The fund does not invest in OTC derivatives.

### § 8 Valuation

The value of a fund unit is the fund's value divided by the number of outstanding fund units. The fund's value is calculated by totalling all the fund's value and subtracting any of the fund's debts, such as tax obligations or the fees that are detailed in §11.

The fund's assets are calculated in the following way:

- Transferable securities, money market instruments, financial derivatives and fund units are valued according to their market value, the latest purchase price, or if that does not exist the latest sales price. If these values are not available or are inaccurate according to the AIF manager, then the assets can be given an appropriate value by the AIF manager and an independent party (such as a broker, the company's valuation department or the custodian) that is based on objective assumptions. Foundations for the valuation could be similar transactions under similar market circumstances.
- Transferable securities and money market instruments that are detailed in 5:5 LVF, are valued in a special way. The foundations for a market valuation could be market prices taken from an unapproved regulated market, a market maker,

another financial instrument listed on a regulated market, indices with adjustments for differences such as credit risk and liquidity (reference valuation), discounted cash flows (Net Present Valuation) or the proportion of equity (book valuation)

- Cash and cash equivalents including deposits in bank accounts, short positions in the money market and fund's in accounts at credit institutions.
- Outstanding interest.
- Accrued dividends.
- Non-liquidated sales.
- Other receivables attributed to the fund.

The fund's debts will be calculated in the following way:

- Accrued compensation to managers.
- Compensation to the custodian.
- Non-liquidated purchases.
- Tax debts.
- Other debt attributed to the fund.

The AIF manager has the right to cancel the valuation of fund units and the publishing of the fund unit value, if there are extraordinary circumstances in place that hinders the accurate valuation of fund units, which in turn ensures the equal rights of the fund's unitholders. Every month a short report regarding the value development of the fund and the fund units is sent out to the unitholders.

### § 9 Subscription and redemption of fund units

Subscription (the purchase of fund units) can occur up until the last business day of every month. Redemption (the sale of fund units) can occur up until the last day of every quarter. This deviates from 4:13 1st paragraph LVF that states that fund units can be redeemed instantaneously provided that there are liquid assets available within the fund.

Subscription and redemption requests are carried out according to the details on the AIF managers website, [www.alcur.se](http://www.alcur.se).

Subscription requests that have reached the AIF manager, at the latest, 12 pm three days before the last business day of the month, or 11 am during half days, will be executed on the last day of the month. Redemption requests that have reached the AIF manager before 12 pm thirty business days before the last business day of the quarter, 11 am on half days, will be executed on the last business day of the quarter. Any requests that have reached the AIF manager later than the given deadline, will be executed at the next trading opportunity.

Subscription of units occur to the lowest price of 500 000 kr in the first payment. Thereafter, subscription occur to the lowest price of 100 000 kr per payment. In order for the transaction to be executed there is a need that the liquidity is transferred

to the fund company the last banking day in the end of a month. The AIF manager can in the event of subscription at maximum take a few of 5 percent.

If means for redemption need to be raised through sale of securities, such sale needs to be enforced as soon as possible. Request for redemption should be revoked only if that is what the AIF-manager admits. Subscription or redemption prices for a fund units should equal the fund unit value the banking day at which subscription or redemption takes place. Subscription or redemption is set at a price which is calculated in accordance with § 8 and which is not known for the unit owner at the time for subscription or redemption. The AIF-manager can at redemption charge a fee of maximum of 0,5 percent.

Information about price of subscription or redemption is made public to the AIF-manager's website at least three day after the banking day at which the fund unit value is decided according to above.

To optimize the fund's manager's management volume, the AIF manager has the right to close the fund. This means that a subscription of units is not possible. Such a decision about closing the fund assumes that the fund's managing capital sums up to a size that exceeds the capital threshold decided by the AIF manager. The decided capital threshold for optimal asset management is shown on the AIF-manager's website. A decision about closing the fund should be communicated in connection to the decision, however, 30 days before the day of which decision about closing the fund shall enter into force and the fund will be closed.

The AIF manager's decision about the opening of the fund should be communicated concerning the decision, at last, 30 days before the day in which subscription of new units can happen again. Information about the decision about the closing respective opening of the fund should be announced on the AIF-manager's website and be sent to unitholders by email.

### **§ 10 Closing due to extraordinary circumstances**

The fund can be shut for redemption and subscription as a result of extraordinary circumstances that hinder the accurate valuation of the fund's assets, meaning that a valuation that ensures the unitholders equal rights, is not possible. An example could be that one or more of the markets that the fund trades in is either partially or completely closed.

### **§ 11 Fees and Compensation**

#### **General**

The total compensation that unitholders pay constitutes compensation for management, storage, auditors, marketing and costs for supervision that should be paid to the financial supervisory authority.

Costs for analysis and transaction costs such as *brokerage fees, taxes, delivery and other costs that are of*

*importance for the fund's assets and purchases and sale of these should be paid by the fund.*

The fund will be charged with compensation for the management of the fund, which will be paid to the AIF manager, in the form of a fixed fee and a performance-based fee.

#### **Fixed compensation**

The compensation to the AIF-manager may not exceed 1,1 percent per year of the total fund value. There is a replacement cost to the custodian such as performance of certain tasks and the withdrawal may not exceed 0,1 percent per year of the total fund value. The highest compensation that can be withdrawn from the fund according to above is 1,2 percent per year of the total fund value. The compensation is calculated daily and should be paid at the end of every month.

#### **Performance-based fee**

The fee is calculated mutually and charged to the fund monthly. The compensation is only charged when the fund's performance exceeds the fund's benchmark threshold. The benchmark threshold is defined as the SSVX90 (not under 0 percent), plus five percentage units yearly, which expresses the yearly expected risk premium for stocks. The total percentage is described as the risk premium for investing in stocks. Suppose the performance falls short of the performance threshold, and the fund after that performs well in relation. In that case, no performance-based fee will be charged until the previous 'under-performance is compensated. Suppose the returns in a month fall below the performance threshold, but the fund performs above the threshold in the following month. In that case, no performance-based fee will be charged until the previous 'under-performance has been compensated. If a fund unit holder redeems their units before this 'under-performance has been compensated, then the fund unitholder will not receive compensation for this at the point of withdrawal.

The performance-based fee amounts to 20 percent of the fund's 'over-performance,' the part of the fund's value increase that exceeds the benchmark threshold.

### **§ 12 Dividends**

In general, the fund does not pay dividends, instead all income is reinvested into the fund. The AIF manager can however decide to pay dividends to the fund's unitholders should they decide that this is necessary to ensure the unitholder's best interests. In the event that dividends are paid out then this will be done in an appropriate manner and at an appropriate time. Any dividends that are unitholders are entitled to, will be used to, after tax deductions, by more fund units on behalf of the unitholder, who at the time is the registered owner of the fund unit. Should a unitholder request it, then dividends will be paid to the unitholder, after tax deductions. Any such request must be made

available to the AIF manager no later than the deadline that the AIF manager has presented.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-Annual and Annual Reports, Changes to Fund Statutes**

The AIF manager will present an annual report for the fund, at the latest, within 4 months of the end of the financial year. Additionally, the AIF manager will present a semi-annual report, at the latest, within 3 months of the end of the mid-year point. The reports are to be sent to the unitholders who have requested them. In addition, a shorter report regarding the fund's development will be sent to the unitholders. The annual and semi-annual reports will be made available to the unitholders at the AIF managers and the custodian.

Changes to the fund statutes can only occur as a result of a decision by the board. Any changes to the fund statutes should be approved by the Swedish Finance Supervisory Authority. If the authority approves the changes, then the updated fund statutes will be made available at the AIF manager and the custodian, in addition to being presented in the manner that the Swedish Finance Supervisory Authority deems appropriate. Any changes to the fund statutes enter into the force as a result of the announcement, or they will enter into force at the point that the announcement mentions. Changes to the fund statutes are applicable to all the fund's unitholders.

### **§ 15 Pledging**

Unitholders cannot pledge their fund units.

### **§ 16 Limits of Responsibility**

In cases where the custodian loses financial instruments that are stored within the custodian, the custodian should return financial instruments of the same sort or the same value of the fund, without any delay. Meanwhile the custodian is not responsible for any loss of financial instruments, or any other damages, that have been a result of external events that are outside of the custodian's control, such as Swedish or foreign enactment, Swedish or foreign act of public authority, war, strikes, blockades, boycott, lockout or any other similar circumstances.

The AIF manager is not liable for any damages that have occurred due to external circumstances that are outside the manager's immediate control. The reservation regarding strikes, blockades, boycotts and lockouts still apply to the custodian and the AIF manager, even though they are a part of or they themselves are the cause of the circumstance. The AIF manager is not liable for damages that are the result of Swedish or foreign stock markets, other marketplaces, central securities depositories or other clearing organisations

The custodian or the AIF manager are not liable for damages that have occurred as a result of the availability of a financial instrument being limited to the custodian or the AIF manager.

The custodian is not responsible for the loss of financial instruments, that have been stored at a custodian bank or any other institution that offers similar services, that the custodian has contracted, with careful consideration, to store financial instruments, provided that the custodian has agreed upon the transfer of liability to the custodian bank, so that the AIF manager has a claim against the custodian bank directly instead.

A transfer of liability is the result of the custodian outsourcing the storing of foreign financial instruments, to a local custodian bank, according to the terms of the agreement between the AIF manager and the custodian. The AIF manager or the custodian are not liable for any damages that have occurred in other cases, if they have acted in a usual careful manner and that is not prohibited by law.

The AIF manager and the custodian are never liable for any indirect damages. In the event of circumstances that are mentioned in the 2nd paragraph, hindering the AIF manager or the custodian from acting, then the act can be deferred until the obstacle is removed. In the event of a payment delay, as a result of these circumstances, the AIF manager or the custodian will not charge interest. Has interest been agreed upon, then the AIF manager and the custodian will pay the agreed interest, for the delay starting at the date of maturity.

Should the custodian be unable to accept payment on behalf of the fund, as a result of the circumstances mentioned in the 2nd paragraph, then they can only charge interest according to the agreed upon terms on the date of maturity.

The AIF manager is not responsible for damages that were caused by the custodian or their custodian banks. The AIF manager is not liable for damages that have been caused by a unitholder, or anyone else, breaking the law or any other regulation or the fund rules. The unitholders are hereby notified that they are responsible for making sure that any documents that have been made available to the AIF manager are authentic, accurate and correctly signed. Additionally, the AIF manager should be notified of any changes to the documents or details left by the unitholders. The AIF manager's liability is regulated in 8:28-31 §§ LAIF. The custodian is liable according to 9:22§ LAIF.

### **§ 17 Investors**

The fund is open to the public; however, this does not mean that the fund is open to investors whose subscription of fund units would be in violation of any Swedish or foreign law or regulation. The fund is not open to investors whose subscription or holding of

fund units would result in the fund or the AIF manager being responsible for registration actions, or any other actions, The AIF manager has the right to refuse subscription to investors who are described above.

The AIF manager can redeem fund units, against the will of the unitholder, should they be made aware that the subscription of fund units was conducted in violation with Swedish or foreign laws and regulations. Similarly, the AIF manager can redeem fund units if the subscription or holding of them, results in the AIF

manager being responsible for additional registration acts, or any other acts, that they normally would not have to conduct should the unitholder not have held or subscribed to the units.

Redemption according to the previous paragraph, will be done in conjunction with the end of the month. Redemption payments are carried out according to §9, including redemption payments that have been outlined in §17-

## ALCUR Grow

Sverigeregistrerad AIF

### Fund name and legal status

ALCUR Select is a special fund according to the law regulating managers of alternative investment funds (2013:561) registered in Sweden. The fund is managed by ALCUR FONDER AB ("the AIF manager"), who is supervised by the Swedish Finance Supervisory Authority.

### Share classes

The fund has 3 share classes of which classes A and B are open for trade. The share classes differ in terms of fees, deposit amount, dividends, and specific terms for distribution. The units in the share classes entail the same rights to the property which is included in the fund. More information about the fund's share classes is available in the fund rules and further ahead in this booklet.

### Objective and investment focus

ALCUR GROW is a **special fund** that focuses on investing in equities in small companies in the Nordic region, with high potential given their risk. At least 50% of the fund's assets must be placed in Sweden. The fund can use leverage up to 30% and even hold 30% in cash.

The fund invests in companies that have a market capitalization which amounts to 0,7 percent of the total market capitalization of the listed company in the respective Nordic country. This means that there is a market capitalization of 54 billion kronor in the year 2020. 20% of the total fund assets can be invested outside this size category. The fund being a special fund means that the holdings can be concentrated to fewer positions than is the case for an ordinary equity fund. In the fund, the six largest positions can constitute 60 percent of the fund value by the time of investment. A single position can weigh 25% of the total fund value and the fund can as a minimum have 9 different holdings (a normal mutual fund must have 16 different holdings).

The fund will mainly focus on smaller companies, where the fund managers see great growth potential. This means the fund will take a conscious *liquidity risk*. An overall description of the fund's managing strategy is based on the manager's analysis of the company's long-term potential, growth, value, profit development, and perceived risk to expected return. Valuation means positions are fundamentally based and that the managers strive for a perception of the value of the assets the fund invests in. The managers emphasize profit potential and cash flows and how these can come to be changed in the future. Investments are made on a longer horizon (longer than two years). The objective is to reach the highest

possible value growth with great risk diversification while simultaneously acting precautionary.

The fund is actively managed and does not follow any index. The asset types which the fund are allowed to be placed in are transferable securities, money market instruments, derivative instruments, fund units and on account with a credit institution. A maximum of 10 percent of the value of the fund can be placed in fund units. Trade with derivative instruments can happen as a result of the fund's target of positioning. Usage of derivative instruments normally happen in order to increase the possibilities of return in the fund. The fund has possibility to lend securities against a determined rate that goes to the fund and by that contributes to the fund's yield. The fund can use other techniques and instruments in order to minimize risks in the managing, while also increase return and create leverage in the fund. The fund does not invest in companies which are involved in controversial weapons (cluster weapons, nuclear weapons and land mines). The fund yield threshold is SSVX90 + 5 percentage units. The fund normally does not give any dividends. Incomes are reinvested in the fund. The fund differs from corresponding mutual funds by offering monthly purchases of units and quarter wise selling, instead of daily. This as a part of the management of liquidity risks in the fund.

### Historical Yield

The graph above shows the historical performance in SEK. The numbers are attributable to unitholders who have been with the fund since its inception. No adjustment for inflation has been made. The profit is presented after deductions for fees and tax. The funds benchmark index for fee calculation is based upon SSVX90 + 5 percentage points.

### Target Group and Knowledge Requirements

The fund targets itself to people who can be described as equal partners, professional and non-professional. The investor should have some basic knowledge of funds and be able to make an evaluated investment decision after reading information documents about the fund. The investment horizon should be longer than 5 years. Investors must accept that the fund could decrease in value, even if the markets go up. Similarly, investors must be able to lose their entire invested capital, or more. The fund is not suited for investors who want to be sure that they will only lose a part of their invested capital or be sure that they will retain their entire investment.

### Risk

The fund's risk factor is described in the fact sheet which is updated yearly. The risk factor is considered to be 5 out of 7, hence a medium high-risk level. The fund fits investors which have a tolerance of risk for this or higher. Observe that the risk can be changed over time.

## **Distribution and sale**

The fund is traded in investment advice, portfolio management or on own initiative (with or without a suitability assessment)

## **The fund's risk profile**

Investing in stocks and funds always involves market risk, as a result of market swings affecting share prices. There is less diversification in a special fund like ALCUR GROW compared to a UCITS fund. This is a result of special funds having the ability to concentrate their portfolio, being able to short stocks and the market along with being able to invest in assets other than equities.

There is a risk associated with the managers making the wrong assumptions regarding their evaluation of both specific stocks and the market in general. To minimize this risk, holdings and the market conditions that assumptions are based upon are regularly re-evaluated.

The AIF managers uses established systems and routines to analyse risks in both individual positions along with the portfolio as a whole. The AIF manager's risk management systems allow for the regular calculation of a variety of risk measures such as volatility, standard deviation, beta, Sharpe ratio and Value at Risk (VaR).

A concentrated portfolio means that the portfolio can contain relatively few individual holdings. The fund can invest throughout the Nordic region, but at least 50% of the fund's value must be invested in the Swedish markets. This has a currency risk associated with it. The conversion of the price of the foreign security is affected by the foreign currencies value change in comparison to the Swedish krona. The fund can currency hedge, according to its fund rules, but may choose not to.

The fund's *liquidity risk* is made up of two parts. Firstly, there is a cash flow risk, meaning that the fund does not have enough cash to pay its obligations (redemption of units). Secondly, there is a market liquidity risk, meaning that a security cannot be sold off within the desired timeframe without large price reductions or costs to the fund. Generally, the fund sees cash as an asset type that has option value (possibility to buy when liquidity is low), as a result the fund is able to meet unit redemption demands and take advantage of opportunities that suddenly arise and are able to positively affect the fund. The fund should also have a reasonable mix of holdings to effectively manage any liquidity risk. The AIF manager also manages the risk by being able to restrict the fund's size in addition to the fund only being open for depositing once a month. Withdrawals from the fund have to be announced to the AIF managers 30 business days before the months end, which allows the AIF managers room to operate and plan the fund's cash flow.

The fund is able to lend parts of its shareholdings in exchange for a determined interest rate that contributes to the fund's returns. Shares are lent to counterparties with high credit worthiness against collateral with low market and credit risk, which results in the fund's risk profile remaining largely unchanged, but a counterparty risk arises. The collateral received for the shares must have a value equal to the shares market value. The fund can use financial derivatives to get market exposure or to sell market risk. The fund can short securities. The purpose of shorting, is to protect existing holdings, to sell overvalued assets, in the same way that the managers buy assets that are undervalued. When calculating the fund's total exposure, the commitment method is used. This means that positions are translated to a corresponding position of the underlying asset.

## **Leverage**

Leverage means that investment managers increases their exposure for a managed fund by borrowing cash, securities, using financial derivatives, or any other way. Leverage is calculated using a ratio, where the fund's exposure is divided by the fund's value. According to the current fund rules, ALCUR has some exceptions in comparison to common mutual funds. The commitment method is used to calculate the fund's exposure as a result of their use of financial derivatives. When calculating the total exposure, the AIF manager takes both hedging and netting into account. ALCUR GROW can use the fund's assets as collateral to cover commitments that have arisen as a result of the management of the fund. For example, collateral could be used to secure a pledge agreement, or a so-called transfer of title, where the ownership is transferred to the fund's counterparty.

## **Liquidity Risk Management**

ALCUR GROW's *liquidity risk* is a result of the fund's commitments and holdings. The commitments are a result of the fund's unitholders' abilities to deposit their units in accordance with the fund statutes and other commitments that the fund has, which can be a result of, for example, the issuing of financial derivatives or short positions. ALCUR FONDER regularly controls that ALCUR GROW has a reasonable composition of liquid assets along with the commitments being within the scope of what is reasonable for the fund. To make this possible risk measures are calculated and possibly limited, along with established routines that are to be applied before the fund makes an investment. To make sure that the risk measures and limits are reasonable and sufficient stress tests are regularly carried out. If the stress tests indicate that there is a need for new or changed risk measure or limits, this is done with supervision. Additionally, if the stress tests indicate that the liquidity risk is considerably higher than what is stated in the fund's risk profile, the AIF manager must establish a plan of action to manage this liquidity risk.

Information about changes in the terms to redeem units are announced to the fund unit holders by email or on the AIF manager's website.

### Regular information about risk and liquidity management and financial leverage

ALCUR FONDER reports information about risk and liquidity management. Information about the current risk profile and the risk management system that is used and information about any proportion of non-liquid assets is disclosed in the annual report and semi-annual statement for the fund. In the annual report and the half-yearly report information about changes in the fund's management of liquidity that are of importance is written.

### Restrictions

The fund's investment restrictions appear in detail from the fund restrictions. The fund can place transferable securities, derivative instruments, fund units, account in credit institute. The fund's 6 largest holdings are allowed to equal 60% av the fund's total value, by the time of investment. 20% of the fund's assets can be placed in unlisted holdings. The fund can lend 30% av its total assets to take advantage of financial leverage. 30% of the fund's assets can be placed in a credit institute. The fund can exercise significant influence and hold 20% of the votes in the same company. A company's market value is not allowed to exceed 0,7% of the mentioned stock market market value, by the time of the investment. 20% of the fund's total assets are allowed to be invested in companies outside this definition of size. The fund's means should at least to 50% be invested in Sweden. With the mentioned stock market total market value means the total market value of all listed companies in every single Nordic country.

### Prime Broker

A prime broker is for instance a bank, that mainly offers financing services, but also as a counterpart in transactions with different financial instruments, along with services such as clearing, liquidation, custodian services, securities loans, unique technical solutions and support services. ALCUR FONDER can use Skandinaviska Enskilda Banken AB (publ) as its prime broker. At the same time Skandinaviska Enskilda Banken is the fund's custodian and this could result in conflicts of interest. This is a result of Skandinaviska Enskilda Banken, whilst being in a custodian capacity it also controls and offers a variety of other financial services. Skandinaviska Enskilda Banken AB (publ) separates the services they offer as a prime broker and as a custodian, meaning that there is no cooperation between the two, and the two departments work independently of one another. Additionally, the bank has established routines to identify, handle, monitor and present any conflicts of interest that arise. The manager has therefore concluded that ALCUR's unitholders will

not be affected negatively by the relationship with Skandinaviska Enskilda Banken.

### Share classes

The Fund has three different share classes

A – SEK, institutional class for investors who place a larger amount

B – SEK, class with terms for distribution for investors who place smaller amounts via distributors

C – SEK, class that gives the highest dividend payout

At the moment classes A and B are open for deposit

### Fees

The fund charges a performance-based fee that is calculated and charged every month. The compensation is only paid out when the fund's performance exceeds its benchmark threshold, which for ALCUR is the Swedish 90-day treasury bill (SSVX90), on a yearly basis. The fund practices high watermark, meaning that if the fund's performance falls below the performance threshold, but later on performs above the threshold in comparison, the fund will not charge a performance-based fee until the pervious relative under performance has been compensated for. The performance-based fee is 20 percent of the fund's over-performance, the part of the fund's development that is above the performance threshold. As a result, there is no maximum for the performance-based fee, it is solely based on the fund's development.

The AIF manager gets compensated for management costs, accountants, marketing along with a fee for controlling and supervision that is charged by the Swedish Finance Supervisory Authority. The AIF managers charges a fixed fee of 1 percent of the fund's value per year. This compensation is paid monthly, 1%/12, approximately 0,083 percent which is calculated on the fund's value at the end of every month. In addition, there can be a performance-based fee, see above, after deductions for the fixed fee have been made. When fund units are redeemed there can be a fee, that cannot exceed, 0,5 percent, paid to the fund. The AIF manager also has the right to implement a fund unit subscription fee of 5 percent, that is paid to the fund. At this point in time there are no such fees.

### Highest fee

Below is the highest fee the AIF manager is allowed to charge in accordance with the fund rules for the sale and redemption of fund units and the management of the fund.

Highest fee	Share class A	Share class B	Share class C
Subscription fee	5 %	5 %	5 %
Redemption fee	0,5 %	5 %	5 %
Management fee	1,1 %	2,0 %	1,7 %
Performance based fee	20 %	20 %	20 %

A result based fee is charged on the return that exceeds SSVX90 +5 percentage units on a yearly basis.

*Transaction costs, like brokerage, taxes, delivery and purchase and sale of these inclusive fees to the custodian and analysis costs should be shared by the fund.*

### **Current fee**

Below there is information about current fees that the AIF-manager takes for sales and redemption of fund units and management.

<b>Current Fee</b>	Share class A	Share class B	Share class C
Subscription fee	0 %	0 %	0 %
Redemption fee	0 %	0 %	0 %
Management fee	0,8 %	1,6 %	1,3 %
Performance based fee	10 %	10 %	10 %

A result based fee is charged on the return that exceeds SSVX90 +5 percentage units on a yearly basis.

*Transaction costs, like brokerage, taxes, delivery and purchase and sale of these inclusive fees to the custodian and analysis costs should be shared by the fund.*

### **Sale/redemption of Fund Units**

Sale of fund units is performed at the end of every month. Notification of the sale of units has to be made available to the AIF manager by 12.00 p.m. the last banking day of the month, or 11.00 a.m. if such is a half working day. Payment should be deposited on the account of the fund at the custodian on the last banking day in the month. The smallest amount by the first time of subscription is SEK 10 000 000 for share class A, SEK 1 000 for share class B and SEK 5 000 000 for share class C. Sale of fund shares can only happen at the end of each month and notification about redeeming of units should be at the AIF-manager at 12pm 10 working days before the end of the month. The smallest amount for any initial subscription is 500 000 SEK, thereafter subscriptions of 100 000 multiples are permitted. The fund's functional currency is Swedish krona. The fund unit's value at the end of the month is redemption/subscription price. Subscription and redemption orders cannot be limited.

The subscriber/unitholder is responsible for the subscription/redemption document being correctly signed or that it is electronically signed, that the given bank account number is correct and that all other documents and information that the AIF manager needs are made available to the AIF manager or anyone who the AIF manager says the information should be presented to.

### **Reporting and Presenting**

The AIF manager publishes annual and semi-annual reports that can be ordered from the AIF manager. Unitholder receive an email every month containing value updates and a monthly report with updated risk

reports, an overview of the fund's performance along with an explanation for the fund's development.

### **Dividends and Closing of the Fund**

To remain flexible in the investing process and promote the unitholders interests the board can decide on closing the fund to new investments. This evaluation of a capital limit is made continuously, considering the current market conditions. By closing the fund, the liquidity risk will decrease as a result.

These decisions should be made regularly by the board, considering the relevant market conditions. If the assets under management reach this level, the board has to decide on closing the fund to new investments. Alternatively, the board can decide to increase this limit if the market conditions are deemed favorable for new capital to be managed in a way that benefits the unitholders. In the event of such a change, the unitholder and the Swedish Finance Supervisory Authority must be notified promptly. In the event of a decision to close the fund, the unitholders and Swedish Finance Supervisory Authority must be notified at the latest one month before the closing. The month that follows is the last month where new subscriptions can be made. If the AIF manager opens the fund again, they must notify unitholders via the website, phone or email. The board can decide on assigning the CEO to evaluate and decide on a few of the board's decisions about opening and closing of the fund. In the occurrence of such delegation the board will however continue to evaluate the prerequisites for the need to keep the fund closed and can in alliance with company laws choose to repeal such a decision about delegation to the CEO.

The fund has a share class that gives dividends in alliance with the company's board.

### **Information about the EU's regulation regarding the use of indices as a reference value**

From the 1st of January, 2018 the EU's new rules regarding the use of indices as a reference value for financial instruments and financial agreements or to use to determine investment funds' performances, entered into force. The rules are applicable if one determines a fund's performance by comparing its development to an index or a combination of indices, or if one uses it to decide on asset allocation within a portfolio or uses it to calculate a performance based fee relative to the index. ALCUR uses a reference value when calculating the performance-based fee in relation to the SSVX90. According to the EU rules, administrators of indices must be approved by the European Securities and Markets Authority (ESMA) before May 2020. SSVX90 is supplied by an administrator that has not yet been approved by ESMA. Updated information regarding whether or not the administrator has been approved will be presented, at the latest, in the informational brochure that is created after January 1<sup>st</sup> 2021. The AIF manager must have a plan of action, if a reference value sops getting supplied or if there is any essential change

in the nature of the reference value. Should this happen, ALCUR will try to identify another relevant reference value and apply for the Swedish Finance Supervisory Authority's approval to change the fund statutes and replace the previous reference value.

### **Level of Activity in the Management of the Fund and Benchmark Index**

The fund is an actively managed special fund with concentrated holdings and specially defined target, by which there currently exists no producers of indices which provides a relevant index. The fund therefore has no relevant benchmark index. 9

### **Sustainability Information**

*Transparency in terms of integration of sustainability risks, about the promotion of environmental and social characteristics and sustainable investment.*

An objective of the fund is to maintain a sustainable investment

The fund promotes for example environmental or social characteristics

Sustainability risks are considered in the decision of investments, without the fund promoting environmental or social characteristics or has sustainable investment as an objective

Sustainability risks are not relevant (explanation below)

Comment made by the AIF manager:

The AIF manager's policy about integration of sustainable risks account for sustainability risks in the investment process. As a part of the company's investment process, sustainability risks that can have an actual or potential negative impact on the value of the investment are identified. With sustainability risks means such issues that are environmental, social or linked to the corporate governance.

The fund manager has made an assessment stating that the most important sustainability issues are environmental, social and linked to corporate governance. Every identified sustainability risk is assessed individually for every investment. The fund managers assess if an environmental event could lead to a sustainability risk, which could worsen a company's possibilities to run their operations and thereby result in worsened company profit. Consequently, this could lead to a decreasing development of the fund. Moreover, the fund managers see that social events, such as infection diseases, could possibly lead to a worsened company profit and negative consequences on the fund.

Governance related risks are mainly associated with corporate governance and is considered to affect the development of the fund negatively if for example fraud would appear. The fund managers therefore assesses that the sustainability risks possible impact on the FUNDS return could be negative.

Integration of environmental risks is taken into consideration by the FUNDS investment process. The

FUND is actively managed and chooses its holdings based on fundamental company analysis. The FUND's general investment philosophy is to invest in companies that are evaluated as having a great risk-reward, possibility to great risk-adjusted return, and which has better growth opportunities relative to its competitors. ESG risks and opportunities are taken into consideration and are integrated into the investment process. The ESG analysis is based on external sustainability information in combination with an internal analysis linked to ESG risks and opportunities. The ESG analysis is a complement to the fundamental analysis.

The managers identify sustainability risks which means that companies are excluded if their operation does not match with the investment strategy. From the methods for integration of sustainability risks, the managers assess if an environmental, social or corporate governance-related event or circumstance which, if it would happen, should have an actual or potential negative impact on the value of the investment.

*Sustainability-related characteristics promoted in the managing of the fund, or which are included in the s of the fund.*

Environmental characteristics (ex. The company's impact on environment and climate).

Social characteristics (ex. Human rights, labor rights, and equality).

Praxis for good steering (ex. Unitholders rights, questions about replacement to executives, and counteraction against corruption).

Other sustainability-related characteristics.

Comment made by the fund company:

The fund takes environmental, social questions and aspects related to corporate governance into consideration. The starting point is one for each portfolio company. In the management of the alternative investment funds, which the company manages, environmental risks are integrated into the investment decision by the company's manager evaluating and analyzing investment objects where risks related to sustainability are taken into consideration.

The sustainability analysis is done by an external evaluation of actual risks issued by an external part. The managers also use a positive screening method, which means that they within each sector invest in the best companies. Further, active dialogue with the company, which is invested in is done, to create prerequisites for impact in a more sustainable direction.

Comment made by the AIF manager:

*Reference values:*

The fund has the following index as its reference value:

No index has been chosen as a reference value

Comment made by the fund company;

The FUND is a special fund that has the Nordics as its main investment area. The fund has no comparison index but uses the risk-free rate as its comparison rate.

*Methods used to integrate environmental risks, promote environmental-related or social characteristics.*

#### Positive screening

Comment made by the AIF manager:

The FUND's overall philosophy is to invest in a company that has a great potential of value and offers a great risk-adjusted return. The fund can also short companies which are evaluated as not fulfilling the fund company's criteria of investment. The company's ESG analysis is based on external sustainability data in combination with an internal materiality analysis which is linked to ESG risks and ESG potentials. The ESG analysis complements the financial analysis. The managers identify sustainability risks and include companies whose operations conform with the fund's investment philosophy. The is to choose companies in the portfolio, which have strong ESG prerequisites today or companies where a transition towards a more sustainable business model creates opportunities for return. Based on the ESG analysis, a discussion with the company about their risks and opportunities with the ambition to actively affect the companies.

#### Negative screening

The fund does not invest in companies which are involved in the following products and services. A maximum of five percent of the revenue in the company where the investment takes place may refer to activities that are attributable as a result of the investment's focus.

Products and services:

Cluster bombs, personnel mines

The company's comment:

Chemical and biological weapons

The company's comment:

Nuclear weapons

The fund company's comment:

Weapons and/ or war material

The company's comment

Alcohol

The fund company's comment: Companies where more than 5% of revenues derives from alcohol.

Tobacco

The company's comment: Companies where more than 5% of the revenues derives from tobacco.

Commercial gaming operations

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Pornography

The company's comment: Companies where more than 1% of revenues derive from pornography.

Fossil fuels (oil, gas, coal)

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Coal

The company's comment: Possible to invest in the ones that are best in its class, while simultaneously short the ones that are the worst.

Uranium

The company's comment:

Genetically modified organisms (GMO)

Comment made by the AIF manager:

Other

- Oil sands

The company's comment: Companies where more than 50% of the revenues derives from oil san

#### International norms

International norms refer to international conventions, laws, and concordances like the UN Global Compact and UECDs guidelines for multinational company's which are related to the environment, human rights, working conditions, and business ethics.

The fund does not invest in companies that violate international norms. The evaluation is done, either by the fund company itself or by a subcontractor.

The fund does not invest in companies that do not take measures to deal with identified problems or where the fund believes the company will not deal with the problems during a time that the fund company evaluates as fair in the single case.

Comment made by the AIF manager:

International norms and guidelines, like UNs leading principles for business operations and human rights, the ten principles in the UN Global Compact (currently waiting for an accepted application), SWESIF, and PRI are guidelines which the FUND has chosen to take into consideration.

#### Countries

From sustainability reasons the fund does not place in companies involved in certain countries/ interest bearing securities from certain states.

#### Other

Other

Comment made by the AIF manager:

The FUND has the Nordics as its area of investment.

**The AIF manager influences**

The AIF manager uses its influence to affect companies in environmental questions, and have relations with companies in order to affect them in a more sustainable direction.

Corporate influence in own auspices

Comment made by the AIF manager:

In the company's ESG analysis, questions asked in coming meetings with companies the fund invests in are taken into consideration. The ESG analysis is documented together with dialogues carried about sustainable questions. By this, the FUND creates possibilities to affect the portfolios holdings in a more sustainable direction.

Corporate influence in collaboration with other investors.

Comment made by the AIF manager:

Corporate influence by external retailers/consultants

The company's comment:  Voting in annual general meetings

Comment made by the AIF manager:

Ambition to vote in annual general meetings

Participation in nomination committees to affect the constellation of the board.

Comment made by the AIF manager:

### **Sustainability aspects that are considered in the management of the fund**

Environmental aspects – the company's effect on the environment and climate

Social aspects – human rights, equality

Corporate leadership aspects - owners, compensation, corruption

... Other sustainability aspects

#### *Methods used to achieve sustainability*

The fund takes into account

... Sustainability aspects are a deciding factor for the managers choice of company. The fund has specific criteria when evaluating companies with the environment, social and ethical questions in mind. Analysing the company's work with sustainability is a deciding factor for the fund's choice of company.

The fund's managers consider sustainability questions. Sustainability aspects are considered when analysing companies and making investment decisions, which effects, but does not have to be the deciding factor, for choosing a company to be a part of the fund.

The company has an ESG policy and carefully considers sustainability issues and considers progress within these issues to be of value to the unitholder, not only "shareholder value" is considered, but also these other aspects are considered when companies are chosen. In short, sole focus cannot be placed on earning money. Unitholder value has to be created in a sustainable way to create trust amongst investors, and a long-term business plan.

#### *Other*

... other sustainability methods used by the fund

The fund refrains from choosing

The fund does not have holdings in companies that are involved in the following; companies that solely sell alcohol, tobacco and weapons. Otherwise the company work in relation to other companies in regard to sustainability. Companies that are considered unsustainable and little will to change are often considered candidates for short positions.

#### *International norms*

The company aims to follow the agreements that Sweden has regarding ESG questions in their management. The fund refrains from investing in all companies that have been identified as in disagreement with international norms. Companies that the fund considers unwilling to change or are believed to be unable to deal with their sustainability problems will not be approved for investment.

#### *Countries*

For sustainability reasons the fund does not invest in companies operating in certain countries, or securities issued by certain countries.

#### *Other*

The AIF manager affects

The company aims to encourage other companies that are being analysed or invested in to present their work within ESG and how they intend to better themselves within relevant aspects.

Company effect under their own leadership

As a small investor the AIF managers ability to affect other companies is limited. A dialogue with the company is more important than exclusion. The company is both proactive and reactive in their dialogue with companies that they are invested in. The company can affect through elections or through their votes at annual shareholders meetings.

## **Fund Statutes ALCUR GROW**

## **§ 1 The Legal Status of the Fund**

The fund's name is ALCUR SELECT (referred to as "the fund" throughout the rules). The fund is a special fund according to the law regulating managers of alternative investment funds (2013:561), commonly known as LAIF. The fund operates according to LAIF, these fund rules, the AIF manager's articles of association along with other relevant laws and regulations.

A - SEK, institutional class, accumulated share class

B – SEK, class with terms for distribution, accumulated share class

C – SEK, class that pay dividend

For the different share classes, the minimum amount in the first subscription of units is set in accordance with §9 and fees and compensation in accordance with 11§. Share class B is only open for:

-unitholders that invest within the frame for agreements about investment services under 2 chapter 1§ Law (2007:528) about the securities market or corresponding Swedish or foreign regulation invests in the fund, under the condition that there is a written agreement between the AIF manager and the provider of the investment service or an intermediate part in the distribution stage that explicitly allows distribution of the share class without entitling the distributor to compensation from the AIF-manager and for

-insurance companies that invest within the frame of agreements with policyholders, under the condition that there is a written agreement between the AIF-manager and the insurance company or an insurance provider that explicitly allows investment in the share class without entitling the insurance company to compensation from the AIF-manager.

If an investor no longer fulfills the terms and conditions for a certain share class, the AIF-manager should – after a previous message to the one given in the fund's unitholder register – move the investor to another share class whose terms and conditions the investor fulfills. If more than one share class is selectable for an investor the AIF manager should move the investor to the share class with the lowest management fee. The AIF-manager is not responsible for eventual costs, fees, or losses that affect investors as a result of such a move, the inclusive eventual tax.

The fund assets are owned jointly by the fund unitholders. Units in a share class entail an equal right to the property which is included in the fund. The AIF manager manages and represents the fund and the unitholders in all questions concerning the fund. The manager also decides about what property should be included in the fund and practices the rights concerning the fund. The fund cannot acquire rights or take on any obligations. The fund is public.

## **§ 2 Fund Manager**

The fund is managed by ALCUR FONDER AB, Organisation Registration Number 556703-4870 (referred to as "the AIF manager" throughout the rules). The AIF manager represents the unitholders in any proceedings related to the fund.

## **§ 3 Custodian**

The fund's assets are stored by Skandinaviska Enskilda Banken AB (publ), Organisation Registration Number 502032-9081, (referred to as "the custodian").

The custodian will act according to decisions that the AIF manager has made regarding the fund, provided that these decisions do not go against regulations in LAIF, the Swedish Finance Supervisory Authority's regulations or the fund rules.

The custodian will receive and store the fund's assets and control that the valuation, redemption and sale of fund units is done in accordance with the law, regulations and the fund rules. Additionally, the custodian will ensure that the fund's assets are made available to the AIF manager, without delay. The custodian will also ensure that the fund's funds are used in accordance with the law and fund rules.

If the fund invests in foreign financial instruments, the custodian will let an appropriate foreign custodian store the assets. However, this does not take away their responsibility as a custodian, regulated in LAIF.

## **§ 4 The Fund's Character**

The fund is an actively managed analysis driven hedge fund, categorized as a special fund. The fund focuses on small and medium sized companies in the Nordic region, with a particular focus on Sweden. The fund is diversified but does not follow a particular index or industry.

Actively managed refers to the fund having freer investment rules in comparison to a traditional mutual fund. Additionally, the fund does not follow an index and can be concentrated to fewer holdings. Analysis driven means that the fund buys and sells shares on the basis of the fund manager's own analyses and general evaluations, instead of as a result of market trends or financial indices. The fund can place liquid assets in bonds and other interest-related instruments, instead of a bank account, depending on the interest rate environment.

The fund's general investment objective is to achieve the highest possible value growth, with due regard for risk and diligence. This means that the manager diversifies the fund's investments, and considers liquidity and market risk, in addition to their own fundamental business analysis, as the foundation for the fund's investments. The expected returns from an investment is compared to the expected risk.

## **§ 5 The fund's investment policy**

## §5.1 General Policy The fund's assets can be invested in:

- Transferable securities
- Money market instruments
- Financial derivatives
- Fund Units
- Accounts at credit institutions

The fund's assets can, in accordance with the investment policy, be invested in equities or other financial instruments that are listed on regulated markets in Sweden and the Nordic countries, or intend on being listed on one of these markets within a year of the investment, or in companies who are registered in Sweden or the Nordic countries. The fund's assets can also be invested in financial instruments that are, at the point of investment, traded in Swedish krona or other Nordic currencies.

Regardless of what is mentioned above regarding the fund's geographic policies, the fund can invest in financial instruments from other markets that are held by the fund as a result of previous holdings or other corporate events. The fund can sell financial instruments that they do not hold but maintain control over at the given time of trade, by borrowing securities, this is called shorting. The fund's assets can become collateral for these loans, according to usual business terms with the clearing organisation or securities institute, who can engage in these types of agreements and are under supervision of a Financial Authority.

The fund's investment policy is focused on small and medium-sized Nordic companies, with a particular focus on Sweden. The company's size is defined by its market cap, which at the point of investment cannot exceed 0,7 percent of the relevant stock market's market cap. The relevant stock market's market cap is detailed in the informational brochure. 20 percent of the fund's assets can be invested in companies that do not adhere to this size definition. At least 50 percent of the fund's assets must be invested in Sweden. The fund can, whenever they please, invest in currency derivatives to currency hedge their investments.

Investments in external funds or foreign investment fund companies cannot exceed 10 percent of the fund's value.

The fund's focus is not specified to a particular industry.

Any underlying assets to financial derivatives that are held by the fund, are defined as assets according to 5:12 1<sup>st</sup> paragraph, of the law regarding securities funds (2004:46), (LVF).

The fund is exempt from certain regulations in LVF or the Swedish Finance Supervisory Authority's regulations regarding securities funds (FFFS 2013:9).

Reference to the particular laws and regulations is done below:

- The fund can invest in transferable securities that are regulated in 5:5 LVF, to an amount that does not exceed 20 percent of the fund's value. This deviates from 5:5 LVF.
- The fund can invest in transferable securities and money market instruments, however, instruments from the same issuer can not exceed 25 percent of the fund's value. Additionally, the total value of holdings that exceed 6 percent of the fund's value cannot exceed 60 percent of the fund's total value, at the point of investment. This deviates from 5:6 LVF, paragraph 1,2 and 3 in addition to 5:21 LVF.
- The fund can invest in shares without voting rights, however only 10 percent of the shares given out by the same issuer. These shares cannot exceed 25 percent of the fund's value. This deviates from 5:19 1<sup>st</sup> Paragraph LVF.
- The AIF managers funds may together acquire shares with voting rights, to the extent that they can exercise significant influence over the corporate leadership in a company. However, the total holdings for the fund company cannot exceed 20 percent of the voting rights for the company. This deviates from 5:20 1<sup>st</sup> Paragraph LVF.
- A maximum of 30 percent of the fund's value can be placed in an account at a single credit institution. This deviates from 5:11 LVF.
- The fund can raise loans, using the fund's assets as collateral, to an amount that does not exceed 50 percent of the fund's value. This deviates from 5:11 1<sup>st</sup> paragraph 1<sup>st</sup> point LVF.
- The fund can lend securities amounting to a maximum of 50 percent of the fund's value. This deviates from 25:21 3<sup>rd</sup> paragraph FFFS 2013:9.

## § 5.2 Risk level

The fund's risk measure is standard deviation, which is calculated in 12-month periods and given in percent. The measure shows the variation of the fund's returns in relation to its average returns. The manager aims to have a standard deviation (risk) for the fund that does not exceed the standard deviation for the Swedish market, which is defined as the OMXSPI. Historically this means that the fund's standard deviation should be in the 5-15 percent range, calculated annually. However, it is possible that the fund's risk exceeds or falls below the expected average risk level, which can be the result of certain market conditions or other extraordinary events. The fund's actual risk level will be presented in the fact sheet.

Other risk measures can be used should the Swedish Finance Supervisory Authority demand it or recommend it.

## § 6 Marketplaces

The fund's assets must be invested in regulated markets, MTFs or equivalent alternatives within a public market in Sweden, Norway, Denmark, Finland or Iceland. Investments in unlisted financial instruments can occur within these countries according to what was mentioned in §5.

## § 7 Specific Investment Policy

The fund can invest in transferable securities and money market instruments that are mentioned in 5:5 LVF. The fund can invest in financial derivatives that are associated with the fund's general investment policy. The fund can invest using the techniques and instruments that are mentioned in 25:21 of the Swedish Finance Supervisory Authority's regulations regarding securities funds (FFFS 2013:9), to create leverage. The fund does not invest in OTC derivatives.

## § 8 Valuation

The value of a fund unit is the fund's value divided by the number of outstanding fund units. The fund's value is calculated by totalling all the fund's value and subtracting any of the fund's debts, such as tax obligations or the fees that are detailed in §11.

The fund's assets are calculated in the following way:

- Transferable securities, money market instruments, financial derivatives and fund units are valued according to their market value, the latest purchase price, or if that does not exist the latest sales price. If these values are not available or are inaccurate according to the AIF manager, then the assets can be given an appropriate value by the AIF manager and an independent party (such as a broker, the company's valuation department or the custodian) that is based on objective assumptions. Foundations for the valuation could be similar transactions under similar market circumstances.
- Transferable securities and money market instruments that are detailed in 5:5 LVF, are valued in a special way. The foundations for a market valuation could be market prices taken from an unapproved regulated market, a market maker, another financial instrument listed on a regulated market, indices with adjustments for differences such as credit risk and liquidity (reference valuation), discounted cash flows (Net Present Valuation) or the proportion of equity (book valuation)
- Cash and cash equivalents including deposits in bank accounts, short positions in the money market and fund's in accounts at credit institutions.
- Outstanding interest.
- Accrued dividends.
- Non-liquidated sales.
- Other receivables attributed to the fund.

The fund's debts will be calculated in the following way:

- Accrued compensation to managers.
- Compensation to the custodian.

- Non-liquidated purchases.
- Tax debts.
- Other debt attributed to the fund.

The AIF manager has the right to cancel the valuation of fund units and the publishing of the fund unit value, if there are extraordinary circumstances in place that hinders the accurate valuation of fund units, which in turn ensures the equal rights of the fund's unitholders. Every month a short report regarding the value development of the fund and the fund units is sent out to the unitholders.

## § 9 Subscription and redemption of fund units

Subscription (the purchase of fund units) can be performed up until the last business day of every month. Redemption (the sale of fund units) can be performed up until the last day of every quarter. This deviates from 4:13 1st paragraph LVF that states that fund units can be redeemed instantaneously provided that there are liquid assets available within the fund.

Subscription and redemption requests are carried out according to the details on the AIF managers website, [www.alcur.se](http://www.alcur.se).

Subscription requests that have reached the AIF manager, at the latest, 12 pm three days before the last business day of the month, or 11 am during half days, will be executed on the last day of the month. Redemption requests that have reached the AIF manager before 12 pm thirty business days before the last business day of the quarter, 11 am on half days, will be executed on the last business day of the quarter. Any requests that have reached the AIF manager later than the given deadline, will be executed at the next trading opportunity.

Subscription of units takes place as follows

Share class A: Minimum amount in the first subscription is 10 000 000 SEK, subscription in a later stage is 1000 000 SEK

Share class B: Minimum amount for subscription is 1000 SEK

Share class C: Minimum amount in the first subscription is 5 000 000 SEK, subscription in a later stage is 1000 000 SEK.

If means for redemption need to be raised through sale of securities, such sale needs to be enforced as soon as possible. Request for redemption should be revoked only if that is what the AIF-manager admits. Subscription or redemption prices for a fund units should equal the fund unit value the banking day at which subscription or redemption takes place. Subscription or redemption is set at a price which is calculated in accordance with § 8 and which is not known to the unitholder at the time for subscription or redemption. Information about price of subscription or redemption is made public to the AIF-manager's website at least three days after the banking day at which

the fund unit value is decided according to above. The AIF manager has the right to charge subscription and redemption fee in accordance with 11§.

To optimize the fund's manager's management volume, the AIF manager has the right to close the fund. This means that a subscription of units is not possible. Such a decision about closing the fund assumes that the fund's managing capital sums up to a size that exceeds the capital threshold decided by the AIF manager. The decided capital threshold for optimal asset management is shown on the AIF-manager's website. A decision about closing the fund should be communicated in connection to the decision, however, 30 days before the day of which decision about closing the fund shall enter into force and the fund will be closed.

The AIF manager's decision about the opening of the fund should be communicated concerning the decision, at last, 30 days before the day in which subscription of new units can happen again. Information about the decision about the closing respective opening of the fund should be announced on the AIF-manager's website and be sent to unitholders by email.

## **§10 Closing due to extraordinary circumstances**

The fund can be shut for redemption and subscription as a result of extraordinary circumstances that hinder the accurate valuation of the fund's assets, meaning that a valuation that ensures the unitholders equal rights, is not possible. An example could be that one or more of the markets that the fund trades in is either partially or completely closed.

## **§11 Fees and compensation**

### **General**

From the fund's means compensation must be paid in the form of a fixed compensation, a performance-based compensation. The compensation should be paid at the end of each month.

The total compensation that unitholders pay constitutes compensation for management, storage, auditors, marketing and costs for supervision that should be paid to the financial supervisory authority.

Costs for analysis and transaction costs such as *brokerage fees, taxes, delivery and other costs that are of importance for the fund's assets and purchases and sale of these should be paid by the fund.*

### **Fixed compensation**

#### **Share class A**

Fixed compensation to the AIF manager is 1%. Compensation is paid to the custodian for managing its tasks. The levy can, at maximum, be 0,1 percent per year of the fund's total value. According to the above, the maximum fee that may be taken out from the fund is 1,1 percent per year of the share class' proportion of the fund's value. According to below, performance-

based compensation of no more than 20% of the return that exceeds the return threshold, defined as SSVX90+5% units, will be added.

#### **Share class B**

Fixed compensation to the AIF manager is 1,9%. Compensation is paid to the custodian for managing its tasks. The levy can, at maximum, be 0,1 percent per year of the fund's total value. According to the above, the maximum fee that may be taken out from the fund is 2,0 percent per year of the unit class' proportion of the fund's value. According to below, performance-based compensation of no more than 20% of the return that exceeds the return threshold, defined as SSVX90+5% units, will be added.

#### **Share class C**

Fixed compensation to the AIF manager is 1,6%. Compensation is paid to the custodian for managing its tasks. The levy can, at maximum, be 0,1 percent per year of the fund's total value. According to the above, the maximum fee that may be taken out from the fund is 1,7 percent per year of the share class' proportion of the fund's value. According to below, performance-based compensation of no more than 20% of the return that exceeds the return threshold, defined as SSVX90+5% units, will be added.

### **Result based compensation**

#### **Performance-based fee**

The fee is calculated mutually and charged to the fund monthly. The compensation is only charged when the fund's performance exceeds the fund's benchmark threshold. The benchmark threshold is defined as the SSVX90 (not under 0 percent), plus five percentage units yearly, which expresses the yearly expected risk premium for stocks. The total percentage is described as the risk premium for investing in stocks. Suppose the performance falls short of the performance threshold, and the fund after that performs well in relation. In that case, no performance-based fee will be charged until the previous 'under-performance is compensated. Suppose the returns in a month fall below the performance threshold, but the fund performs above the threshold in the following month. In that case, no performance-based fee will be charged until the previous 'under-performance has been compensated. If a fund unit holder redeems their units before this 'under-performance has been compensated, then the fund unitholder will not receive compensation for this at the point of withdrawal. The performance-based fee amounts to 20 percent of the fund's 'over-performance,' the part of the fund's value increase that exceeds the benchmark threshold.

### **Subscription and redemption fee**

The AIF manager is allowed to take subscription and redemption fees by the following. The given amount below is the maximum fee that is charged in connection with the subscription or redemption. The current fee is described in the fund's information brochure.

	Share class A	Share class B	Share class C
Subscription fee	5 %	5 %	5 %
Redemption fee	0,5 %	5 %	5 %

## § 12 Dividends

### Share class C

The fund pays dividends in share class C. The board of the AIF manager decides if the yearly dividend should be paid to the unitholders of the dividend share class. When making decisions about dividends, the basis for the AIF manager is the return of the fund's means, realized and unrealized value increases, or other distributable amounts. Dividends will be addressed to unitholders that on a fixed day for dividends is registered for fund units in the unitholder register. The payment is paid, after deduction of preliminary taxes on the bank account which the unitholder earlier has stated. Payments happens in April-May the year after the financial year.

### Share class A and B

The fund pays no dividend in the share class A and B (these are accumulated, share classes). However, the AIF manager can exceptionally decide about a dividend to the fund unitholders if that is necessary to take advantage of the unitholders' common interests. Dividends are then provided to such an extent and on the day in which it is considered suitable.

At the request of a fund unitholder, dividends should, after any possible tax reductions, instead be paid to the unitholder. For such dividend that amounts to a preliminary fund unit, the AIF manager should, after a preliminary tax, acquire new fund units on behalf of the unitholder that on a set day is registered for the fund unit. Such a request should be made as of that day the AIF manager has decided.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-Annual and Annual Reports, Changes to Fund Statutes

The AIF manager will present an annual report for the fund, at the latest, within 4 months of the end of the financial year. Additionally, the AIF manager will present a semi-annual report, at the latest, within 3 months of the end of the mid-year point. The reports are to be sent to the unitholders who have requested them. In addition, a shorter report regarding the fund's development will be sent to the unitholders. The annual and semi-annual reports will be made available to the unitholders at the AIF managers and the custodian.

Changes to the fund statutes can only occur as a result of a decision by the board. Any changes to the fund statutes should be approved by the Swedish Finance Supervisory Authority. If the authority approves the changes, then the updated fund statutes will be made available at the AIF manager and the custodian, in

addition to being presented in the manner that the Swedish Finance Supervisory Authority deems appropriate. Any changes to the fund statutes enter into the force as a result of the announcement, or they will enter into force at the point that the announcement mentions. Changes to the fund statutes are applicable to all the fund's unitholders.

## § 15 Pledging

Unitholders cannot pledge their fund units.

## § 16 Limits of Responsibility

In the event that the custodian loses financial instruments that were stored within the custodian, then the custodian must return, without delay, similar financial instruments or a cash amount for the value of the instruments to the fund. Meanwhile the custodian is not responsible for any loss of financial instruments, or any other damages, that have been a result of external events that are outside of the custodian's control, such as Swedish or foreign enactment, Swedish or foreign act of public authority, war, strikes, blockades, boycott, lockout or any other similar circumstance. The AIF manager is not liable for any damages that have occurred due to external circumstances that are outside the manager's immediate control. The reservation regarding strikes, blockades, boycotts and lockouts still apply to the custodian and the AIF manager, even though they are a part of or they themselves are the cause of the circumstance. Neither the custodian or the AIF manager is liable for damages that are the result of Swedish or foreign stock markets, other marketplaces, central securities depositories or other clearing organisations

The custodian or the AIF manager are not liable for damages that have occurred as a result of the availability of a financial instrument being limited to the custodian or the AIF manager.

The custodian is not responsible for the loss of financial instruments, that have been stored at a custodian bank or any other institution that offers similar services, that the custodian has contracted, with careful consideration, to store financial instruments, provided that the custodian has agreed upon the transfer of liability to the custodian bank, so that the AIF manager has a claim against the custodian bank directly instead. A transfer of liability is the result of the custodian outsourcing the storing of foreign financial instruments, to a local custodian bank, according to the terms of the agreement between the AIF manager and the custodian. The AIF manager or the custodian are not liable for any damages that have occurred in other cases, if they have acted in a usual careful manner and this is not contrary to the law

The AIF manager and the custodian are never liable for any indirect damages. In the event of circumstances that are mentioned in the 2nd paragraph, hindering the AIF manager or the custodian from acting, then the act can be deferred until the obstacle is removed. In the event

of a payment delay, as a result of these circumstances, the AIF manager or the custodian will not charge interest. Has interest been agreed upon, then the AIF manager and the custodian will pay the agreed interest, for the delay starting at the date of maturity.

Should the custodian be unable to accept payment on behalf of the fund, as a result of the circumstances mentioned in the 2nd paragraph, then they can only charge interest according to the agreed upon terms on the date of maturity.

The AIF manager is not responsible for damages that were caused by the custodian or their custodian banks. The AIF manager is not liable for damages that have been caused by a unitholder, or anyone else, breaking the law or any other regulation or the fund rules. The unitholders are hereby notified that they are responsible for making sure that any documents that have been made available to the AIF manager are authentic, accurate and correctly signed. Additionally, the AIF manager should be notified of any changes to the documents or details left by the unitholders. The AIF manager's liability is regulated in 8:28-31 §§ LAIF. The custodian is liable according to 9:22§ LAIF.

### **§ 17 Investors**

The fund is open to the public; however, this does not mean that the fund is open to investors whose subscription of fund units would be in violation of any Swedish or foreign law or regulation. The fund is not open to investors whose subscription or holding of fund units would result in the fund or the AIF manager being responsible for registration actions, or any other actions, The AIF manager has the right to refuse subscription to investors who are described above.

The AIF manager can redeem fund units, against the will of the unitholder, should they be made aware that the subscription of fund units was conducted in violation with Swedish or foreign laws and regulations. Similarly, the AIF manager can redeem fund units if the subscription or holding of them, results in the AIF manager being responsible for additional registration acts, or any other acts, that they normally would not have to conduct should the unitholder not have held or subscribed to the units.

Redemption according to the previous paragraph, will be done in conjunction with the end of the month. Redemption payments are carried out according to §9, including redemption payments that have been outlined in §17.

### Calculation of performance-based fee

The example below shows the calculation of a performance-based fee, along with the fund unit value for a year, for an investor with 1 Million SEK. The fee is calculated mutually and charged to the fund monthly. The fee is 20

percent of the performance that exceeds the performance threshold (SSVX90). Mutual performance-based fee means that the threshold is the same for all the investors. If the performance falls short of the performance threshold, and the fund thereafter performs well in relation, then no performance-based fee will be charged until the previous 'under-performance' has been compensated. The compensation is 20 percent of the 'over-performance.'

Exempel för en investerarens erläggande av prestationsarvode										
2017	Avkastning innan rörlig avgift	Referensräntan (SSVX90)	ALCUR - Värde	Värde referensportföljen	Avkastning - Alcur före rörlig avgift	Avkastning Referensportföljen	ALCUR relativt referensräntan	Rörligt arvode	Värde Alcur	Värde Alcur efter rörlig avgift
Startvärde			1 000 000 kr	1 000 000 kr						
Januari	2%	0,5%	1 020 000 kr	1 005 000 kr	20 000 kr	5 000 kr	15 000 kr	3 000 kr	1 017 000 kr	1 017 000 kr
Februari	1%	0,5%	1 027 170 kr	1 022 085 kr	10 170 kr	5 085 kr	5 085 kr	1 017 kr	1 026 153 kr	1 026 153 kr
Mars	-1%	0,5%	1 015 891 kr	1 031 284 kr	-11 279 kr	5 131 kr	-15 392 kr	0 kr	1 015 891 kr	1 015 891 kr
April	1%	0,5%	1 026 050 kr	1 036 440 kr	10 159 kr	5 156 kr	-10 390 kr	0 kr	1 026 050 kr	1 026 050 kr
Maj	3%	0,5%	1 056 832 kr	1 041 622 kr	30 782 kr	5 182 kr	15 210 kr	3 042 kr	1 053 790 kr	1 053 790 kr
Juni	1%	0,5%	1 064 328 kr	1 059 059 kr	7 496 kr	5 269 kr	5 269 kr	1 054 kr	1 063 274 kr	1 063 274 kr
Juli	3%	0,5%	1 095 172 kr	1 068 590 kr	30 844 kr	5 316 kr	26 582 kr	5 316 kr	1 089 856 kr	1 089 856 kr
Augusti	-1%	0,5%	1 078 957 kr	1 095 305 kr	-16 215 kr	5 449 kr	-16 348 kr	0 kr	1 078 957 kr	1 078 957 kr
September	-1%	0,5%	1 068 168 kr	1 100 782 kr	-10 790 kr	5 477 kr	-32 614 kr	0 kr	1 068 168 kr	1 068 168 kr
Oktober	2%	0,5%	1 089 531 kr	1 106 286 kr	21 363 kr	5 504 kr	-16 754 kr	0 kr	1 089 531 kr	1 089 531 kr
November	2%	0,5%	1 111 322 kr	1 111 817 kr	21 791 kr	5 531 kr	-495 kr	0 kr	1 111 322 kr	1 111 322 kr
December	1%	0,5%	1 122 435 kr	1 117 376 kr	11 113 kr	5 559 kr	5 059 kr	1 012 kr	1 121 423 kr	1 121 423 kr

### January

The returns for Alcur before the performance-based fee is charged is 2 percent, and the fund unit's value increase by 20 000 SEK, before the performance-based deduction. The fund's threshold increased by 0,5 percent, and the expected value increase of the fund units is 5 000 SEK. Therefore, Alcur outperformed the threshold with 15 000 SEK, the investor pays 20 percent of this amount, 3000 SEK. The value of the investment after the first month is 1 017 000 SEK. The new threshold level is 1 017 000 SEK.

### February

Alcur rises by 1 percent, whilst the benchmark rate is 0,5 percent. The investment increases in value to 1 027 170, before performance-based deductions, and the new benchmark threshold is 1 022 085 SEK (1 017 000 \* 1,005). Alcur outperforms the threshold with 5 085 SEK, and 20 percent of this amount is charged as the performance-based fee, 1 017 SEK.

### March

The Alcur fund falls with 1 percent, whilst the benchmark rate remains at 0,5 percent. The investment decreases in value by 11 279 SEK, whilst the interest rate generates 9199 SEK. There is no basis for a performance-based fee, because the fund has performed below the benchmark threshold.

### April

Alcur rises by 1 percent, whilst the benchmark rate remains at 0,5 percent. The investment increases in value by 10 159 SEK, the benchmark rate would have increased the investment by 5 156 SEK. The investment's value amounts to 1 026 050, which is below the benchmark threshold investment value of 1 036 440, therefore there is no basis for a performance-based fee.

### May

Alcur rises by 3 percent, whilst the benchmark rate remains at 0,5 percent. The investment increases in value by 30 782 SEK, which amounts to 1 056 832 SEK, whilst the benchmark rate generates 5 182 SEK, which totals to 1 041 622. The fund investment exceeds the benchmark investment by 15 210 SEK. 20 percent of this value will be charged as a performance-based fee, 3 042 SEK.

### June

Alcur rises by 1 percent, whilst the benchmark rate remains at 0,5 percent. The investment increases in value to 1 064 328 SEK, whilst the expected returns of the benchmark investment amount to 1 059 059 SEK (1 053 790 \* 1,005). The performance-based fee amounts to 1 054 SEK, 20 percent of 5 269 SEK.

### July

Alcur rises by 3 percent, whilst the benchmark rate remains at 0,5 percent. The fund investment's value now amounts to 1 095 172 SEK. whilst the benchmark investments amount to 1 068 590 SEK (1 063 274 \* 1,005). The performance-based fee amounts to 5 316 SEK, 20 percent of 26 582 SEK.

### August and September

The fund's performance falls below the benchmark rate, as a result no performance-based fee is charged.

### October and November

The fund generates returns of 2 percent for both months, whilst the benchmark rate remains at 0,5 percent. However, the fund investment's value does not exceed the performance threshold, and therefore there is no basis for a performance-based fee.

### December

Alcur rises by 1 percent, whilst the benchmark rate remains at 0,5 percent. The fund investment's value increases to a total of 1 122 435, whilst the benchmark investment totals 1 117 376 SEK. The performance-based fee amounts to 20 percent of 5 09 SEK, which is equal to 1 012 SEK.

The same calculation method is used throughout the coming years.

